



# **MOSSEL BAY**

## **MUNICIPALITY**

**2011/12**



# **Draft Annual Budget**

## TABLE OF CONTENTS

	Page
<b>1. INTRODUCTION</b>	<b>3 - 4</b>
<b>2. MAYORAL SPEECH</b>	<b>5 - 10</b>
<b>3. BUDGET RELATED RESOLUTIONS</b>	<b>11</b>
<b>4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE</b>	<b>12</b>
<b>5. EXECUTIVE SUMMARY</b>	<b>13 - 24</b>
<b>6. ANNUAL BUDGET TABLES &amp; GRAPHS</b>	<b>25 - 58</b>
<b>7. SUPPORTING DOCUMENTATION</b>	<b>59</b>
7.1. Budget process overview	59 - 66
7.2. Alignment between budget and the IDP	67 - 72
7.3. Budget related Policies overview and amendments	73 - 75
7.4. Overview of Budget Assumptions	76 - 79
7.5. Overview of Budget Funding	80 - 88
7.6. Expenditure on allocations and grant programmes	89 - 90
7.7. Transfers and grants made by the municipality	91
7.8. Councillor allowances and Employee benefits	92
- <i>Vacant and New Posts</i>	92 - 96
- <i>Budget schedules</i>	97 - 99
7.9. Monthly targets for revenue, expenditure and cash flow	100 - 106
7.10. Contracts having future budgetary implications	107
7.11. Annual budgets and service delivery agreements	108
- <i>Other external mechanisms</i>	
7.12. Annual budgets and service delivery and budget implementation plans	109 - 113
- <i>Internal Departments</i>	
7.13. Measurable performance objectives	114 - 123
7.14. Legislation compliance status	124
<b>8. ANNEXURES</b>	
8.1. TARIFF LIST	Annexure A
8.2. BUDGET RELATED POLICIES	Annexure B
8.3. DETAILED CAPITAL PLAN	Annexure C

## 1. INTRODUCTION

### 1.1. Mossel Bay Municipality Overview

#### VISION

We strive to be a trend-setting, dynamic Municipality delivering quality services responsive to the demands and challenges of the community and our constitutional mandate, in which all stakeholders can participate in harmony and dignity.

#### MISSION

Mossel Bay Municipality's mission for the past present and future, is:

- \* To render cost-effective and sustainable services to the entire community with diligence and empathy,
- \* To create mutual trust and understanding between the municipality and the community,
- \* To have a motivated and representative municipal workforce with high ethical standards, which is empowered to render optimal services to the community, and
- \* To apply good and transparent corporate governance in order to promote community prosperity.

#### VALUES

The community is our inspiration and our workforce is our strength in the quest for community development and service delivery. We therefore value:

- \* Work pride,
- \* Service excellence,
- \* Integrity,
- \* Loyalty, and
- \* Accountability.





## 1.2. Municipal Budget

### DEFINITION OF A MUNICIPAL BUDGET

A municipal budget is generally a projection of future revenues and expenditure. A budget is used to control financial transactions and should also be used as a management and planning tool.

It is also the tool for implementing the service delivery objectives of the Municipality as set out in their Integrated Development Plan (IDP).

A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the municipality.

### A Municipal budget is divided into a Capital and an Operating Budget:

- a) A capital budget is an estimate of the expenses that will be incurred during that financial year to create future benefits, and the sources of finance from which these expenses will be funded. The municipality spends money either to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond one year. Fixed assets include, inter alia, land and buildings, motor vehicles, furniture, computers, office equipment and machinery.
- b) An operating budget is an estimate of the operating revenues which will accrue to the municipality through its normal service delivery and the expenditure that will be incurred through the day to day operations of the municipality over the financial year.

**Example:** The purchase of a photocopier is a capital expenditure and is budgeted for under the capital budget, but the maintenance and other expenses such as the paper and toner for the photocopier is budgeted for under the operating budget.

### OBJECTIVE OF A MUNICIPAL BUDGET

The main objective of a municipal budget is to sensibly allocate realistically expected resources to the municipality's service delivery goals or performance objectives identified as priorities in the approved IDP.

The municipal budget is a tool through which the total level of revenue and expenditure are adequately controlled, public resources are appropriately allocated among sectors and programs, and ensure that departments operate as efficiently as possible within the municipality.





## 2. MAYORAL SPEECH

Mr Speaker, Aldermen, Councillors, Municipal Manager and Directors, the media, members of the public and staff members.

It is my privilege to table this Integrated Development Plan as well as the Draft Annual Budget, together with related documents, for the 2011/2012 financial year and the two outer years as prescribed in terms of Section 16 of the Municipal Finance Management Act.

This is of course the last Budget of the present Council's term of office. We have therefore been faced with the challenge of preparing a budget for the incoming Council following the forthcoming general municipal elections on 18 May 2011. As a pre-election Budget it is of course in the interest of the majority party in the present Council to ensure that a balanced and fair budget is prepared as it could otherwise be counter-productive for such party at the elections.

It is important to emphasise that in tabling the Draft Budget at this juncture, Council is complying with the instructions contained in National Treasury MFMA Circular No 54 and the Western Cape Provincial Treasury Circular No 45/2010.

While the Provincial Treasury prescribed the timeframes now followed by Council, the National Treasury appeals to all role players to work together to ensure that municipalities continue to perform their functions efficiently and effectively in the transition period. It says that it is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue smoothly against the background of the forthcoming municipal elections. The Mayor and municipal manager of each municipality need to carefully consider the time schedule for the review of the IDP and the tabling, public consultations and approval of the municipal budget.

The National Treasury highlights the possible risk of a delay in the announcement of municipal election results, which might not leave enough time for an incoming Council to prepare a budget and could result in Councils not being able to implement new tariffs at the beginning of the financial year as required by law. This in turn may lead to an immediate financial crisis and intervention in terms of Section 139 of the Constitution, which inter alia provides for the dissolution of a Council by the provincial authority and the appointment of an administrator to conduct the affairs of the municipality.

However, I can assure all that this Budget has been prepared with good service delivery in mind and nothing else – as is our duty.

The community was consulted duly through the IDP process and their needs were identified and prioritised to form the basis for the budget. The compilation of a municipal budget is of course always a fine balancing act to match income and resources with the needs of the community. The budget also has to take the needs in all municipal wards into account and it has to be ensured that all wards get a fair share of the cake. Although I am sure that most people will be satisfied with the budget it is inevitable that there will be disappointments too.

Conditions changed dramatically from the time that this Council took office in 2006 and it impacted on our annual budgets too as time progressed.

The 2011/2012 budget was again prepared against the background of a depressed economy as well as the aftermath of the worst drought in the area in human memory.

While soaring costs on all fronts are impacting on the disposable income of ratepayers and other municipal service users, the drought forced the Municipality to develop additional water sources urgently, with the resultant impact on the Municipality's financial situation.

To balance this year's budget was therefore a daunting task, but one which we were nevertheless successful in preparing within the set time frames.

Council's objective with the Budget has not changed from last year and remains very clear. I am repeating them for your convenience as follows:

- Ensure that every citizen of Mossel Bay shares in the services that this Municipality provides.
- Provide cost-effective and efficient services to the community as a whole.
- Improve the standard of services.
- Provide for the maintenance of existing infrastructure.
- Provide and plan for new infrastructure and new bulk services due to the growing needs of the town. In this regard, we wish to build capacity for long-term growth.
- Protect the poor by subsidising various rates and tariffs from the equitable share paid by the State as well as from rate payers funds, and to
- Maintain financial discipline, thereby ensuring that the finances of this Council are kept on a sound basis.

Time does not allow me to provide you with every detail of the 2011/2012 Budget, but I would like to highlight the following:

- The total budget for 2011/2012 amounts to R765,5 million and consists of a Capital Budget of R116,1 million and an Operational Budget of R676,7 million. The Capital Budget amounts to 15,16 per cent of the total budget and the Operational Budget to 84,84 per cent. The Operational Budget, however, includes departmental and non-cash transactions to the value of R95,8 million. If these are subtracted the Operational Cash Budget for 2011/2012 amounts to R553,8 million.
- The total budget represents an increase of 0,3 per cent compared to the revised budget of R647 504 743 for the 2010/2011 financial year. The very small increase is attributed mainly to the effect that the once-off Government grants of R92 million and R16,5 million respectively that were received in 2010/2011 for the seawater desalination and waste water reclamation drought emergency projects had on the revised budget for the current financial year.
- The allocation of R62,7 million to Civil Services represents 54,1 per cent of the Capital Budget and is focused mainly on streets and storm water systems for which a total amount of R39,4 million has been budgeted. Electrical Services will get R18,5 million or 15,9 per cent and Development and Planning R15,3 million or 13,2 per cent. R14,8 million, or 96,7 per cent of the allocation to Development and Planning is in respect of infrastructure for the Asazani/Izinyoka and Friemersheim housing projects.

As far as housing is concerned the funding of course comes from the Department of Human Settlements and municipalities are by law not permitted to use their own funds for housing. Mossel Bay is faced with a housing backlog of approximately 12 000 and such a totally inadequate allocation will unfortunately do very little in terms of making progress with the eradication of the backlog.

- It is a practical impossibility to go in detail into the Capital Budget but there are a few projects that I would like to highlight. The projects or combined projects with the total budget for each, are:

○ Thusong Multi-Purpose Centre:	R2 million.
○ Storm water projects in Great Brak River:	R4,5 million.
○ Paving of gravel roads, all areas:	R5,3 million.
○ Rebuilding of Montagu Street:	R3 million.
○ Upgrading of Brandwag Streets:	R1,1 million.
○ Rebuilding of Kusweg, Reebok/Tergniet:	R2,5 million.
○ Asazani/Izinyoka Main Access Roads:	R1,8 million.
○ Asazani/Izinyoka New Bulk Sewer System:	R2 million.
○ Midbrak Main Sewer Network:	R6 million.
○ Upgrading of Extension 23 Sports Fields:	R1 million.
○ Electrification Projects:	R2,5 million.
○ New transformer for Ockert Bothma Sub-station and Transmission Line from the Sub-station to Extension 13:	R5,5 million.
○ Enlarge sewer lines in KwaNonqaba	R1 million,

- The main sources of funding for the Capital Budget will be the Capital Replacement Reserve with R79 million, followed by MIG funding of R14,1 million and the Department of Human Settlements with R14,8 million.

With regard to the Capital Replacement Reserve, I would like to point out that the Reserve is likely to be totally depleted in the 2012/2013 financial year. This will result in a situation whereby all future capital projects will have to be financed by way of external loans. It was therefore regarded as prudent to start financing capital projects by way of internal loans in the present financial year already. Council has therefore decided to finance a portion of the capital budget for 2010/2011 by way of external loans.

- The Municipality again has to rely heavily on service charges to balance its Operational Revenue Budget. These are:

- Electricity Charges	R227, 8 million.
- Water Charges	R55,7 million.
- Sewerage Charges	R31,6 million.
- Refuse Removal Charges	R25,8 million.
- Other	R26,1 million.



- The Municipality will receive grants of R60,04 million in total from the National Government and R43,5 million in total from the Western Cape provincial government towards its Capital as well as Operational Budgets for the 2011/2012 financial year.

The national grants include the Integrated National Electrification Programme Grant of R2 million, Municipal Infrastructural Grants of R14,1 million, an Electricity Demand Side Management Grant of R4 million, Equitable Share Indigent Subsidies in the amount of R35,3 million and Finance Management Grant of R1,25 million.

The provincial funding will include Integrated Housing and Human Settlement and Development Grants of R14,8 million towards the building of infrastructure in the Capital Budget and R26,9million towards the building of top structures in the Operational Budget. It will also include smaller grants such as the R50 000 towards the maintenance of proclaimed roads, R843 000 towards library services and a community development workers operations support grant of R130 000.

Details of the Operational Budget are provided in the budget document. Councillors are urged to peruse the document and consult with Directors if any clarification is required.

It will be noted that the plight of the poor has again received attention. It is proposed that the household subsidies for indigent households are increased from R315,55 plus VAT, to R336,24, plus VAT, and those for poor households from R230, plus VAT, to R260, plus VAT.

The total monthly income limit of a husband and wife at which pensioners will become eligible for a discount of fifty per cent on their property rates will be increased from R5 000 per month to R7 000 per month. Pensioners with a total monthly income exceeding R7 000 but not more than R10 000 per month will qualify for a discount of thirty per cent. The current upper limit is R8 000 per month.

Before submitting the proposed tariffs for the 2011/2012 financial year it is necessary that I mention that in revising the rates, tariffs and other charges for the 2011/12 Budget and the MTREF (medium term revenue and expenditure framework), labour costs, i.e. wages as agreed with the unions at national level, other input costs of services provided by the Municipality, increases in external costs such as bulk services costs, the maintenance of infrastructure, the need to ensure financial sustainability, local economic conditions and the affordability of services and the Municipality's indigent policy, were some of the factors that influenced the increases proposed to Council.

One of the most important factors which influenced the budget and the tariffs, is the long-term water situation in Mossel Bay. As mentioned, a seawater desalination plant as well as a waste water reclamation plant was built to ensure long term water security for Mossel Bay. These plants are normally operated at a very high cost which, together with the present low water consumption patterns, have a negative impact on the water tariffs of Council.

The proposed list of tariffs is attached as Annexure A to the budget document. Councillors are urged to peruse this document carefully.

I would, however, like to highlight the following:

- \* The proposed increase in the Municipal tariff for electricity for 2011/2012 is 20,38 per cent, which is less than the Eskom tariff increase of 26,71 per cent, as approved by NERSA. It is further recommended that the electricity availability charges in respect of vacant erven be increased by 10 per cent.

Council's gross profit from electricity is estimated to be R93 million for the 2011/2012 financial year, or 37,2 per cent of gross revenue.

- A sliding scale will again be applicable to water tariffs, with water becoming progressively more expensive the more water is consumed. At the bottom end of the scale, in the case of household consumption, an increase from R4, plus VAT, to R5, plus VAT, per kilolitre for consumption of up to 20 kilolitres per month, is proposed. At the upper end of the scale, for consumption of 80 kilolitres or more per month, it is proposed that the tariff is increased from R20, plus VAT, to R24, plus VAT, per kilolitre per month. The proposed increase on the basic charges is 10 per cent.

All household consumers will, however, continue to receive 6 kilolitres of free water per month unless the level of the Wolwedans Dam drops to less than 20 per cent when the free allocation will fall away automatically.

A net loss of R4 663 278 in water revenue, which represents a 5,4% loss on total income, is envisaged for the 2011/2012 financial year. The water account is a trading account and it is supposed to run at a profit. However, due to the uncertainties with regard to consumption patterns over the next year further increases in tariffs than the mentioned increases cannot be considered at this stage.

- Refuse removal is categorised as an economic service, which means that it is supposed to pay for itself from service fees or even making a small profit. It is recommended that the refuse removal tariffs are increased by 10 per cent. This increase will generate an additional R3,2 million for the 2011/2012 financial year.

If the water account improves drastically it is recommended that any surplus on refuse removal is allocated for additional cleansing and recycling projects in the municipal area.

- The sewerage service is classified as an economic service. This service must therefore be financed fully through its own tariffs and is supposed to break even or even show a profit. No tariff increase was implemented on sewerage for the past few years.

It is, however, recommended that sewerage tariffs, including availability charges on vacant erven, be increased by 6% for the 2011/2012 financial year. This increase will generate an additional R3,1 million for the year to 30 June 2012. .

- Property rates are levied in terms of the Property Rates Act and the income generated from this source is used to balance the budget. Property rates do not buy any service from Council as the case is with other service tariffs.

The following increases in property rates are proposed:

○ Residential	-	12,6%
○ Agricultural	-	12,6%
○ Vleesbaai		12,6%
○ Industry/Commerce		4,0%
○ Agricultural use for businesses	-	4,0%
○ State Infrastructure	-	12,6%
○ Accommodation Establishments	-	4,0%

The abovementioned increases in property rates will generate a net additional income of R7 million.

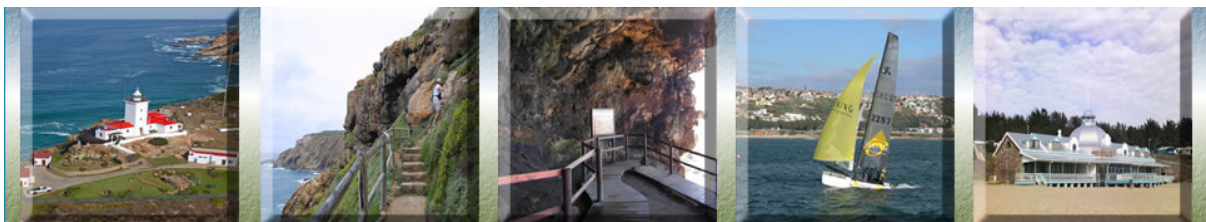
However, the recommended increases in tariffs do not generate enough income to balance this budget. It will therefore be necessary to supplement the budget with an amount of R9,3 million from the accumulated surplus.

Contributions such as these will not be sustainable in the long term and future Councils will have to make provision for further tariff increases to finance such shortfalls.

In conclusion, I would like to thank all who were involved in the IDP and budget process thus far and for the hard and diligent work that clearly went into it.

As this is a draft budget there is obviously still some more work to be done but I have no doubt that we have the courage, resolve and leadership to ensure that a final budget is tabled that will enable continued good service delivery as well as enhance Mossel Bay's long standing reputation as a financially responsible and stable Municipality.

**ALDERLADY M FERREIRA**  
**EXECUTIVE MAYOR**





### 3. BUDGET RELATED RESOLUTIONS

The MFMA stipulates that the Mayor must table the annual budget at a council meeting at least 90 days before the start of the budget year and the Mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year. For this reason Council may at the time of tabling the budget simply note the draft resolutions.

The following is the draft resolutions which Council needs to take with the approval of the 2011/12 Budget by the end of May 2011:

1. Council resolves that the Annual Budget of the Municipality for the financial year 2011/12 and indicative for the two projected outer years 2012/13 and 2013/14 and the multi-year and single year capital appropriations be approved as set out in the following schedules:
  - 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in section 6.2 (page 26),
  - 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as reflected in section 6.3 (page 27),
  - 1.3. Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source as reflected in section 6.5 (page 29),
  - 1.4. Capital detailed budget reflected in Annexure C.
2. Council resolves that property rates reflected in the 2011/12 Tariff list (Annexure A) and any other municipal tax reflected in the 2011/12 Tariff list are imposed for the budget year 2011/12.
3. Council resolves that tariffs and charges reflected in the 2011/12 Tariff list (Annexure A) be approved for the budget year 2011/12.
4. Council resolves that the measurable performance objectives for revenue from each source and for each vote reflected in section 7.13 of this document (pages 117 to 123) be approved for the budget year 2011/12.
5. Council resolves to adopt the amended Integrated Development Plan (IDP).
6. Council resolves that the amended budget related policies reflected in Annexure B are approved for the budget year 2011/12.
7. Council resolves that the filling of the vacant and new posts as identified by the Executive Management and as shown in section 7.8 of this document (page 92 to 96) be approved subject to the public participation process.
8. Council approves that the subsidies in respect of indigent and poor households be approved subject to the public participation process as follows:
  - Indigent households R336,24 (VAT excluded)
  - Poor households R260,00 (VAT excluded)

#### 4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, Dr M.R. Gratz, municipal manager of Mossel Bay Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

DR MR GRATZ

MUNICIPAL MANAGER OF MOSSEL BAY MUNICIPALITY (WC043)

.....  
SIGNATURE

.....  
DATE

## 5. EXECUTIVE SUMMARY

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved IDP.

The budget was made possible through continuous consultation with the local community, the relevant government departments and the internal departments of the Municipality to ensure that the priorities are properly aligned and addressed. A summary is also attached to this document showing the budget process that was followed to frame this budget.

In January 2010, Cabinet adopted 12 outcomes within which to frame public-service delivery priorities and targets. All municipalities are expected to take the 12 outcomes into consideration when reviewing their IDPs and developing their annual budgets for the 2011/12 MTREF. The 12 outcomes are as follows:

1. Improve the quality of basic education
2. Improve health and life expectancy
3. All people in South Africa protected and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support inclusive growth
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities and food security
8. Sustainable human settlements and improved quality of household life
9. A response and, accountable, effective and efficient local government system
10. Protection and enhancement of environmental assets and natural resources
11. A better South Africa, a better and safer Africa and world
12. A development-orientated public service and inclusive citizenship

Government plays a role in the realizing of all these outcomes. One of the most important priorities as far as Local Government is concerned is the development and implementation of new infrastructure and the maintenance of existing infrastructure. This in itself contributes to many of the outcomes mentioned above.

All municipalities must prepare their budgets, adjustment budgets and in-year reports in accordance with the Municipal Budget and Reporting Regulations. National Treasury also developed new budget formats which have to be implemented with this budget. The election also had a further implication on the process as municipalities were advised by National Treasury to get an approved budget before the election date. All these challenges made the timely framing and tabling of the budget much more difficult than in previous years.

It is each Council's responsibility to ensure that its budget complies with the following criteria, i.e.:

- \* Sustainability, to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
- \* Credibility, to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
- \* Governance, that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.



Apart from these criteria, Provincial Treasury is also going to assess the draft budget on the following additional criteria, i.e.:

- \* Responsiveness: Performance assessment on the mid-year and annual report
- \* Assessment of the draft IDP, Budget and its worthwhileness. This inter alia refers to
  - an overview of the socio-economic advantages and challenges of the Municipality;
  - the evaluation of whether or not the municipality has a clear understanding of their socio-economic reality;
  - the determination if credible data sources were used to inform municipal policy directives;
  - an assessment of the extent to which the IDP priorities are reflected in the proposed budget.

National Treasury also stresses that municipalities must take the inflation forecasts into consideration when preparing their budgets for 2011/2012. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as practically possible. For this reason National Treasury continues to require that municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper limit of the South African Reserve Bank's inflation target.

In revising the rates, tariffs and other charges for the 2011/12 budgets and MTREF, the labour costs (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, increases in external costs i.e. bulk services costs, maintenance of infrastructure, the need to ensure financial sustainability, local economic conditions and the affordability of services and the municipality's indigent policy, were some of the factors that influence the increases proposed to Council. One of the most important factors which influenced the budget and the tariffs is the long-term water situation in Mossel Bay. A desalination and reverse osmoses plant were built to ensure long term sustainability in the provision of water to Mossel Bay. These plants are normally operated at a very high cost which, together with the present low consumption patterns, has a negative impact on the water tariffs of Council.

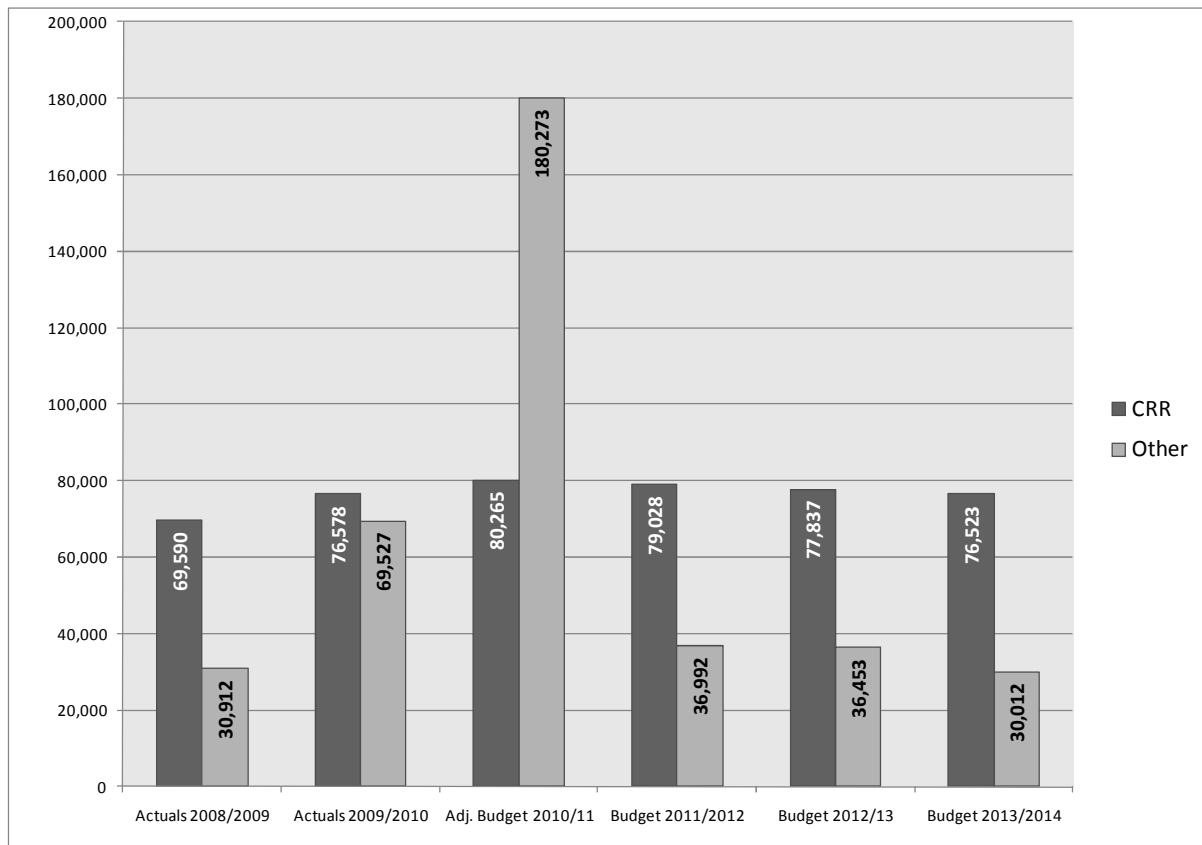
## FINANCIAL SUMMARY ON 2011/12 BUDGET

The total 2011/12 budget amounts to R765 532 537. This consists of a capital budget of R116 021 141 or 15,16% of the total budget and an operating budget of R649 511 396 or 84,84% of the total budget. The operational budget, however, includes departmental and non-cash transactions to the value of R95 843 402. If this is subtracted the operational cash budget for 2011/2012 is decreased to R553 667 994.

### Capital Expenditure Budget:

The following graph shows the capital budget (actual expenditure) for the 2008/09 and 2009/10 financial years as well as the revised budget for 2010/11 and proposed budgets for the 2011/12 to 2013/14 financial years. It differentiates between the following sources of finance:

- \* Internal funds i.e. Capital Replacement Reserve
- \* External funds i.e. Grants from Provincial and National Governments.



The total capital budget for 2011/2012 shows a reduction in the total budgeted amount compared to the revised capital budget for 2010/2011. This is mainly due to the additional external funding sources which were obtained during 2010/2011 in respect of the reverse osmosis water purification and desalination plant.

The detailed capital projects are shown in annexure C of this document. Also attached to this annexure is a summary showing the total amount per vote. It is clear from this summary that the capital expenditure for 2011/12 will be allocated mainly to Civil Services (R62,7 million), Electrical Services (R18,5 million), Community Services (R13,1 million) and Development, Planning and Housing (R15,3 million).

The biggest portion of the capital budget in respect of Civil Services is focused on streets and stormwater (R39,4 million), sewerage (R16,8 million) and water (R6,3 million). The detail of all these projects can be seen on the abovementioned annexure.

#### Financing of Capital Budget

The following table gives a breakdown of the sources of finance of the 3-year capital budget from 2011/12 to 2013/14:

<b>Funding Source</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Capital Replacement Reserve (Internal)	R79 028 350	R77 837 300	R76 522 600
Municipal Infrastructure Grant	R14 143 000	R17 196 000	R18 142 000
Municipal Systems Improvement Grant	R 75 000	0	0
Library Subsidy (Conditional Grant)	R82 000	0	0
Expanded Public Works Programme	R914 000	0	0
Recoverable Developer	R1 950 000	R2 050 000	R3 200 000
Public Transport Infrastructure Grant	R805 000	R800 000	R800 000
Department of Human Settlements	R14 799 891	R15 017 024	0
National Electrification Programme	R2 000 000	R1 000 000	R7 500 000
External Loans	R2 223 900	R390 000	R370 000
<b>TOTAL</b>	<b>R116 021 141</b>	<b>R114 290 324</b>	<b>R106 534 600</b>

From the above it is clear that the main source of funding will be internal funds (Capital Replacement Reserve – R79,0 million) and thereafter the external funding sources of which M.I.G. funding (R14,1 million) and the Department of Human Settlements (R14,8 million) are the largest external sources.

During the meetings of the Budget Steering Committee certain projections were tabled on the future capital budgets and the financial sustainability of the Capital Replacement Reserve. Given the amendments from the revised budget at the end of February 2011 and the draft capital budget which is tabled for the next 3 financial years, it is important to revise these calculations periodically. The following table analyses the projected transactions of the C.R.R. from 01 July 2010 to 30 June 2014, based on the proposed capital and operational budgets attached hereto:

#### **CAPITAL REPLACEMENT RESERVE**

**BALANCE AS AT 30 JUNE 2010: R 74 208 578**

<b>2010/11</b>	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 30 407 442
- Land Sales	R 8 000 000
- Bulk Services Contributions	R 4 000 000
FINANCING CAPITAL BUDGET (External Loan)	(R 30 000 000)
FINANCING CAPITAL BUDGET (CRR)	(R 80 265 021)

**BALANCE AS AT 30 JUNE 2011: R 36 350 999**



**BALANCE AS AT 30 JUNE 2011:****R 36 350 999**

2011/12	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 37 282 282
- Land Sales	R 10 000 000
- Bulk Services Contributions	R 4 000 000
FINANCING CAPITAL BUDGET (CRR)	(R 79 028 350)

**BALANCE AS AT 30 JUNE 2012:****R 8 604 931**

2012/13	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 41 917 709
- Land Sales	R 6 000 000
- Bulk Services Contributions	R 3 000 000
FINANCING CAPITAL BUDGET (CRR)	(R 77 837 300)

**BALANCE AS AT 30 JUNE 2013:****(R 18 314 660)**

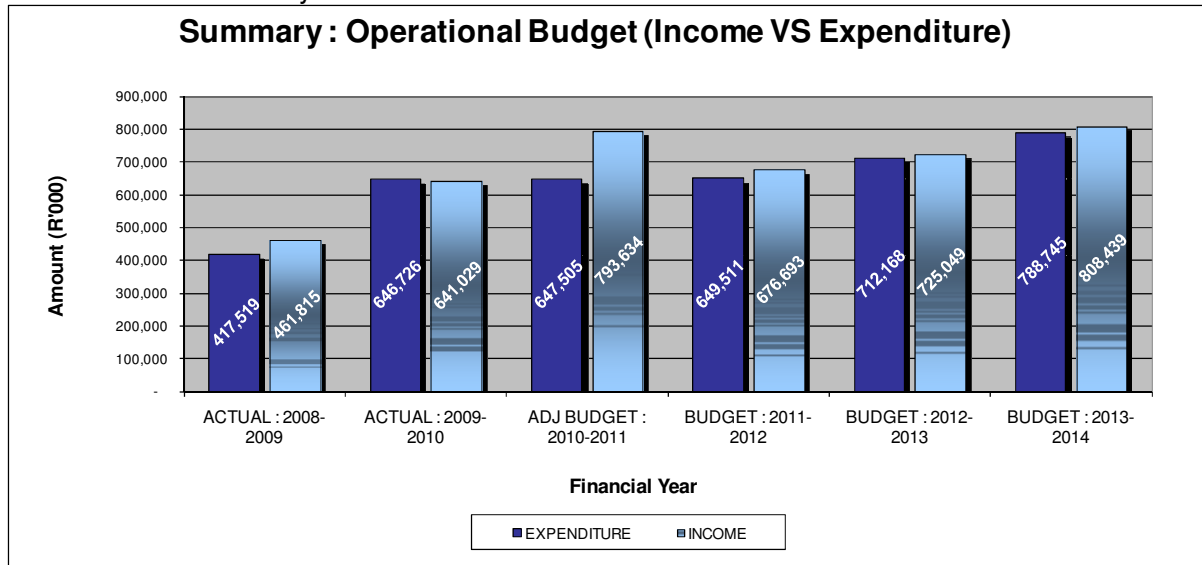
2013/14	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 43 258 333
- Land Sales	R 6 000 000
- Bulk Services Contributions	R 3 000 000
FINANCING CAPITAL BUDGET (External Loan)	(R 30 000 000)
FINANCING CAPITAL BUDGET (CRR)	(R 76 522 600)

**BALANCE AS AT 30 JUNE 2014:****(R 12 578 927)**

It is thus clear from the above that the present levels of financing of capital budgets from the C.R.R. will be impossible to sustain over the longer term. Based on the abovementioned projections of contributions to the C.R.R. and capital budgets the C.R.R. funds will be totally depleted during the 2012/2013 financial year. This will result in a situation whereby all future capital projects will have to be financed by way of external loans. It is however appropriate to consider the financing of certain capital projects now already by way of external loans, given the low interest rates which are prevalent at this stage. For this reason the Council already resolved to finance a portion of the capital budget for 2010/2011 by way of external loans.

**Operating Expenditure Budget:**

The following graph shows the operating budget income and expenditure separately for the 2008/2009 and 2009/2010 (actuals) financial year and the budgeted figures for 2010/2011 to 2013/2014 financial years.



The total operating budget for 2011/2012 amounts to R649 511 396, which is 0,3% more than the previous year's revised budget. The main reason for this very small increase is the once-off grants which had been received in 2010/2011 for the desalination and reverse osmosis plants. There are certain expenditure items in 2011/2012 to the value of R95 843 402, which represents non-cash and internal departmental charges. If those items are subtracted from the total operating figure, the cash budget for 2011/2012 will amount to R553 667 994.

The following table gives a breakdown per category of expenditure of the **cash budget** for the 2011/2012 financial year.

Category of Expenditure	Amount	% of Total Expenditure Budget
Employee-related Costs	R 170 387 803	30.8%
Less Employee Costs Capitalised	R (1 709 250)	-0.3%
Remuneration of Councillors	R 7 403 587	1.3%
Collection Costs	R 4 900 000	0.9%
General Expenses – Bulk Purchases	R 167 017 216	30.2%
General Expenses – Contracted Services	R 31 618 680	5.7%
General Expenses – Grants & Subsidies	R 881 686	0.2%
General Expenses - Other	R 87 799 456	15.9%
Repairs & Maintenance – Municipal Assets	R 39 591 283	7.2%
Depreciation – Property, Plant & Equipment	R 37 192 699	6.7%
Depreciation – Leased Property, Plant & Equipment	R 1 015 549	0.2%
Amortisation – Intangible Assets	R 89 583	0%
Interest Expense – External Borrowings	R 3 586 294	0.6%
Contributions to/from Provisions & Reserves	R 4 244 808	0.8%
Interdepartmental Charges and Recoveries	R (351 400)	-0.1%
<b>TOTAL</b>	<b>R 553 667 994</b>	<b>100%</b>

The following deductions can be made on some of these figures:

- \* The employee related costs are 0,8% above the national norm of 30%. I also refer you to section 7.8 on pages 92 to 96, which shows a list of vacant and new posts, which had already been included in the expenditure figures for 2011/2012 draft budget. The expenditure in respect of some of the posts was only calculated for a part of the year, which means that these posts can only be filled from these dates in the new financial year.
- \* The repairs and maintenance cost is only 7.2% of the total expenditure. It must, however, be kept in mind that a big portion of actual maintenance costs is already included in the employee cost category.

You are also referred to section 6.11 (Operating Budget per Item) on pages 38 to 45 of this document where the total income and expenditure per individual item is shown.

#### Operating Revenue Budget:

The operating revenue budget amounts to R676 692 577. This includes capital transfers and other non-cash and departmental income to the value of R122 914 236. If these items are excluded the total **operating cash revenue** amounts to R553 778 341. The table below gives a list of all sources of revenue:

<i>Source of Revenue</i>	<i>Amount</i>	<i>% of Total Revenue Budget</i>
Property Rates	R 71 689 465	12.9%
Penalties Imposed and Collection Charges	R 2 100 000	0.4%
Service Charges	R 367 072 094	66.3%
Rent of Facilities and Equipment	R 4 246 802	0.8%
Interest Earned – External Investments	R 10 628 600	1.9%
Interest Earned – Outstanding Debtors	R 345 050	0.1%
Fines	R 5 257 750	0.9%
Licences and Permits	R 4 777 650	0.9%
Grants & Subsidies Received - Operating	R 73 330 616	13.2%
Grants & Subsidies Received - Capital	-	0%
Other Revenue	R 14 330 314	2.6%
<b>TOTAL</b>	<b>R 553 778 341</b>	<b>100%</b>

It is clear from the above table that Mossel Bay Municipality is depending a lot on service charges to balance its budget. The service charges, excluding departmental and other internal charges, consist mainly of the following:

Electricity Charges	R227 839 437
Water Charges	R 55 703 634
Sewerage Charges	R 31 578 254
Refuse Removal Charges	R 25 829 881
Other	R 26 120 888

**EXTERNAL FUNDING SOURCES**

The following sources of funding were made available from National and Provincial Government for the 2011/12 financial year:

**National Funding:**

<i>Grant</i>	<i>CAPITAL budget funding</i>	<i>OPERATING budget funding</i>
<b>Integrated National Electrification Programme Grant</b>	R 2 000 000	
<b>Municipal Infrastructure Grant</b>	R 14 143 000	
<b>Expanded Public Works Programme Incentive Grant</b>	R 914 000	
<b>Electricity Demand Side Management Grant</b>		R 4 000 000
<b>Finance Management Grant</b>		R 1 250 000
<b>Municipal Systems Improvement Grant</b>	R75 000	R 715 000
<b>Contribution toward Council Remuneration</b>		R 1 624 000
<b>Equitable Share Indigent Subs</b>		R 35 319 000
<b>TOTAL</b>	<b>R 17 132 000</b>	<b>R 42 908 000</b>

**Provincial Funding:**

<i>Grant</i>	<i>CAPITAL budget funding</i>	<i>OPERATING budget funding</i>
<b>Integrated Housing and Human Settlement &amp; Development Grant</b>	R14 799 891	R26 872 000
<b>Public Transport Infrastructure</b>	R805 000	
<b>Maintenance of Proclaimed Roads</b>		R 50 000
<b>Library Services</b>	R82 000	R 761 000
<b>Community Development Worker Operations Support Grant</b>		R 130 000
<b>TOTAL</b>	<b>R 15 686 891</b>	<b>R 27 813 000</b>

## PROPOSED RATES AND TARIFFS FOR 2011/12

Attached hereto is a list of all the tariffs of the Council (Annexure A). The annexure shows the tariffs for the present financial year as well as the tariffs and proposed increases for the 2011/2012 financial year. Councillors are requested to peruse through this tariff listing and thoroughly debate the proposed increases to those tariffs.

The following tariff increases are discussed below:

### Electricity Tariff:

The draft budget for 2011/2012 makes provision for the following tariff increases:

- \* Eskom tariff increase in respect of purchase of electricity : 26,71%
- \* Municipal electricity tariff increases on sales : 20,38%

It is further recommended that the electricity availability charges in respect of vacant erven be increased by 10%.

The following is a summary of the revenue and expenditure in respect of the electricity account:

	<i>Budget 2010/11</i>	<i>Budget 2011/12</i>
Total Sales of Electricity	R205 197 682	R250 016 969
Total Purchases of Electricity	R124 395 145	R157 017 216
<b>GROSS PROFIT</b>	<b>R 80 802 537</b>	<b>R 92 999 753</b>
Percentage Gross Profit	<b>39.4%</b>	<b>37.2%</b>

It is clear from the above that Council already realises a considerable gross profit on the sale of electricity. This profit is allocated towards payment for other electrical projects as well as the subsidising of property rates and other service charges.

### Water Tariffs:

The water tariff increases differ from tariff to tariff. Councillors are referred to the tariff listing as per Annexure A in this regard.

It is recommended that the basic charges be increased by 10%. The water usage charges are however increased by different percentages (refer to Annexure A in this regard). The charges in respect of metered consumption, however, show a drastic increase for 2011/2012. All these tariff increases will generate an additional R8,1 million for the 2011/2012 financial year. It must however be stressed that it is very difficult to project what the growth in water consumption will be over the next 18 months. This is an unknown factor which can have a major affect on the budget for the next financial year and which will have to be monitored closely.

### The following are of importance as far as water tariffs are concerned:

Excessive usage of water will in future be billed at much higher water tariff than before. It is also proposed that the following tariff increases are applied as soon as the level of the Wolwedans dam falls below a certain percentage, i.e.:

- Dam level below 30% - a 50% increase on usage tariffs of all consumer categories.
- Dam level below 20% - a 100% increase in usage tariffs of all consumer categories with the 6kl free water also falling away except in cases of indigent consumers.



The main reasons for tariff increases are twofold:

- \* To curb excessive usage of water especially with regard to the higher consumers in the municipality area; and
- \* To generate additional income especially when the Wolwedans dam reaches very low levels and the Council is compelled to start using the reverse osmosis and desalination plants.

The revenue and expenditure for the water account is as follows:

	<i>Budget 2010/11</i>	<i>Budget 2011/12</i>
Total Revenue	R 267 324 707	R86 913 491
Less: Capital Grants, etc.	(R 109 530 936)	(R NIL)
<b>TOTAL</b>	<b>R 157 793 771</b>	<b>R 86 913 491</b>
Total Expenditure	R 153 566 322	R 91 576 769
<b>NETT PROFIT / (LOSS)</b>	<b>R 4 227 449</b>	<b>(R 4 663 278)</b>

The total nett loss on the water account for 2011/2012 is R4 663 278 and represents a 5.4% loss on total income. The water account is a trading account and is supposed to run at a profit. However, due to the uncertainties with regard to consumption patterns over the next year, further increases in tariffs than these mentioned above cannot be considered at this stage.

#### **Refuse Removal Tariffs:**

The service is categorised as an economic service, which means that it is supposed to pay for itself from service fees or even making a small profit.

It is recommended that the refuse removal tariffs are increased by 10%. This increase will generate an additional R3,2 million for the 2011/2012 financial year .

The revenue and expenditure of this service can be summarised as follows:

	<i>Budget 2010/11</i>	<i>Budget 2011/12</i>
Revenue	R38 944 019	R38 848 721
Expenditure	R32 051 628	R33 759 780
<b>NETT SURPLUS</b>	<b>R6 892 391</b>	<b>R7 358 433</b>

From the above it is clear that the nett surplus increased with an amount of R466 042 to a total net surplus of R7 358 433 in respect of 2011/2012. If the water account improves drastically, it must be considered to allocate these surpluses on refuse removal to additional cleansing and recycling projects in the town.

#### **Sewerage Fees:**

The following is a summary of the income and expenditure of the sewerage service:

	<i>Budget 2010/11</i>	<i>Budget 2011/12</i>
Revenue	R66 428 012	R71 069 020
Expenditure	R43 855 424	R49 335 214
<b>NETT SURPLUS</b>	<b>R22 572 588</b>	<b>R21 733 806</b>

The sewerage service is classified as an economic service. This service must therefore be financed fully by its own tariffs and is supposed to break even or even run at a profit. No tariff increase was implemented on sewerage for the past few years.

It is however recommended that sewerage tariffs, including availability charges on vacant erven, are increased by 6% for the 2011/2012 financial year. This increase will generate an additional R3,1 million for the 2011/2012 financial year.

### Property Rates:

Property rates are levied in terms of the Property Rates Act and the income generated from this source is used to balance the budget. Property rates do not buy any service from Council as the case is with other service tariffs.

The following rates tariff structure will apply as from the 2011/2012 financial year:

TARIFF TYPE		STRUCTURE
Residential	% of Ind./Comm.	50%
Agricultural	% of Residential	25%
Vleesbaai	% of Residential	30%
Industry/Commercial	BASIS TARIFF	100%
Accommodation	% of Ind./Comm.	70%
Agricultural used as business	% of Ind./Comm.	70%
Public service Infrastructure	% of Residential	25%
Public benefit Infrastructure	% of Residential	25%

The total increase in the property rates tariffs is as follows :

Residential	-	12,6%
Agricultural	-	12,6%
Vleesbaai	-	12,6%
Industry/Commercial	-	4,0%
Agricultural use for businesses	-	4,0%
State Infrastructure	-	12,6%
(State infrastructure refers to public service infrastructure and public benefit infrastructure.)		
Accommodation Establishments	-	4,0%

The abovementioned increases in property rates will generate a nett additional income of R7 million.

Finally, it must be mentioned that the recommended increases in tariffs do not generate enough income to balance this budget. It was therefore necessary to provide the following cash contributions from accumulated surplus to balance this budget over the next 3 years:

2011/2012	-	R9 300 000
2012/2013	-	R9 500 000
2013/2014	-	R8 200 000

These contributions will however not be sustainable over the long term and the Council will in future have to make provision for further increases in its tariffs to finance these shortfalls.

## BUDGET RELATED POLICIES OF COUNCIL

The following policies are submitted annually as part of the budget documentation:

- \* Cash Management and Investment Policy
- \* Rates Policy
- \* Tariff Policy
- \* Credit Control and Debt Collection and Indigent Policy
- \* Supply Chain Management Policy

In terms of the Budget and Reporting Regulations, the following policies are also submitted as part of the documentation:

- \* Virement Policy
- \* Funding and Reserve Policy
- \* Asset Management Policy
- \* Expenditure Policy
- \* Debt and Borrowing Policy

A summary of the key amendments to the policy documents is shown on pages 74 and 75 of this document.

**H F BOTHA**  
**CHIEF FINANCIAL OFFICER**



## 6. ANNUAL BUDGET TABLES & GRAPHS

### 6.1. Budget summary

Description	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	41,569	46,378	57,285	66,602	67,117	67,117	74,162	81,518	89,678
Service charges	249,873	289,276	317,838	406,052	370,839	370,839	436,061	492,488	560,144
Investment revenue	23,718	26,878	18,489	14,381	11,255	11,255	10,629	10,003	9,469
Transfers recognised - operational	32,695	43,824	48,886	59,467	74,882	74,882	73,331	69,912	68,962
Other own revenue	27,510	28,034	129,746	47,591	39,897	39,897	49,691	52,133	53,745
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>375,365</b>	<b>434,390</b>	<b>572,244</b>	<b>594,093</b>	<b>563,990</b>	<b>563,990</b>	<b>643,874</b>	<b>706,053</b>	<b>781,997</b>
Employee costs	101,684	127,640	153,958	173,990	174,508	174,508	184,345	198,449	215,358
Remuneration of councillors	4,896	5,427	5,781	6,591	6,459	6,459	7,404	8,010	8,739
Depreciation & asset impairment	34,847	23,068	25,887	33,775	31,736	31,736	38,298	42,743	44,068
Finance charges	654	787	995	543	851	851	3,586	3,446	3,470
Materials and bulk purchases	62,396	102,755	113,836	158,321	143,056	143,056	177,183	210,829	250,919
Transfers and grants	2,959	3,010	2,673	4,104	3,194	3,194	4,314	4,889	5,556
Other expenditure	145,148	154,832	343,597	219,602	287,701	287,701	234,382	243,803	260,634
<b>Total Expenditure</b>	<b>352,584</b>	<b>417,519</b>	<b>646,726</b>	<b>596,925</b>	<b>647,505</b>	<b>647,505</b>	<b>649,511</b>	<b>712,168</b>	<b>788,745</b>
<b>Surplus/(Deficit)</b>	<b>22,781</b>	<b>16,870</b>	<b>(74,483)</b>	<b>(2,832)</b>	<b>(83,515)</b>	<b>(83,515)</b>	<b>(5,638)</b>	<b>(6,116)</b>	<b>(6,747)</b>
Transfers recognised - capital	21,004	27,425	67,765	26,296	146,709	146,709	32,819	18,996	26,442
Contributions recognised - capital & contributed a	—	—	1,020	—	82,935	82,935	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>43,786</b>	<b>44,296</b>	<b>(5,698)</b>	<b>23,464</b>	<b>146,129</b>	<b>146,129</b>	<b>27,181</b>	<b>12,880</b>	<b>19,695</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>43,786</b>	<b>44,296</b>	<b>(5,698)</b>	<b>23,464</b>	<b>146,129</b>	<b>146,129</b>	<b>27,181</b>	<b>12,880</b>	<b>19,695</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>87,792</b>	<b>100,502</b>	<b>146,105</b>	<b>233,346</b>	<b>260,538</b>	<b>260,538</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>
Transfers recognised - capital	3,350	26,919	45,265	26,296	32,703	32,703	32,819	34,013	26,442
Public contributions & donations	1	64	24,262	2,120	17,089	17,089	1,950	2,050	3,200
Borrowing	26,707	3,929	—	100,475	130,475	130,475	2,224	390	370
Internally generated funds	57,734	69,590	76,578	104,455	80,271	80,271	79,028	77,837	76,523
<b>Total sources of capital funds</b>	<b>87,792</b>	<b>100,502</b>	<b>146,105</b>	<b>233,346</b>	<b>260,538</b>	<b>260,538</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>
<b>Financial position</b>									
Total current assets	263,670	270,144	278,808	278,927	278,927	278,927	272,345	290,188	261,829
Total non current assets	1,189,668	1,364,560	1,396,071	1,479,546	1,479,546	1,479,546	1,464,630	1,444,750	1,459,377
Total current liabilities	53,319	80,195	121,941	82,727	82,727	82,727	84,952	92,047	88,443
Total non current liabilities	68,029	72,269	82,851	109,159	109,159	109,159	113,957	118,394	149,941
Community wealth/Equity	1,331,990	1,482,240	1,470,087	1,566,587	1,566,587	1,566,587	1,538,066	1,524,497	1,482,822
<b>Cash flows</b>									
Net cash from (used) operating	75,460	94,759	21,818	28,324	28,324	28,324	58,499	52,055	82,154
Net cash from (used) investing	147,975	(96,876)	(44,560)	(26,647)	(26,647)	(26,647)	(35,451)	(44,047)	(131,944)
Net cash from (used) financing	1,238	476	(430)	33,124	33,124	33,124	2,931	3,838	33,880
<b>Cash/cash equivalents at the year end</b>	<b>203,556</b>	<b>201,915</b>	<b>178,743</b>	<b>213,544</b>	<b>213,544</b>	<b>213,544</b>	<b>199,223</b>	<b>211,068</b>	<b>195,158</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158
Application of cash and investments	134,997	171,612	156,039	78,721	102,314	102,314	67,655	46,191	62,861
<b>Balance - surplus (shortfall)</b>	<b>68,559</b>	<b>30,303</b>	<b>22,705</b>	<b>134,823</b>	<b>111,231</b>	<b>111,231</b>	<b>131,568</b>	<b>164,877</b>	<b>132,297</b>
<b>Asset management</b>									
Asset register summary (WDV)	1,188,108	1,363,339	1,393,884	1,478,461	1,478,461	1,478,461	1,463,713	1,444,016	1,458,679
Depreciation & asset impairment	34,847	23,068	25,887	33,775	31,736	31,736	38,298	42,743	44,068
Renewal of Existing Assets	19,825	13,535	29,332	14,496	16,163	16,163	11,560	7,980	4,950
Repairs and Maintenance	30,707	34,033	29,781	35,865	37,591	37,591	39,591	38,433	41,437
<b>Free services</b>									
Cost of Free Basic Services provided	2,248	3,838	2,209	2,517	2,517	2,517	2,825	3,199	3,421
Revenue cost of free services provided	9,979	14,555	17,250	17,723	17,723	17,723	17,830	17,919	19,246
<b>Households below minimum service level</b>									
Water:	520	520	520	520	520	520	460	450	400
Sanitation/sewerage:	600	600	600	550	550	550	500	350	250
Energy:	480	480	480	480	480	480	480	480	480
Refuse:	99	100	158	158	158	158	180	210	210

### 6.2. Budgeted financial performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		82,581	88,345	197,999	113,517	104,771	104,771	116,369	123,837	130,909
Executive and council		37,326	38,279	135,903	42,207	31,486	31,486	35,906	35,513	33,828
Budget and treasury office		2,838	3,005	3,660	3,548	4,938	4,938	5,166	5,570	6,038
Corporate services		42,418	47,060	58,435	67,761	68,347	68,347	75,298	82,754	91,042
<i>Community and public safety</i>		27,144	35,899	35,214	46,990	58,978	58,978	69,761	53,782	52,760
Community and social services		1,427	1,089	1,262	1,400	1,912	1,912	1,452	677	743
Sport and recreation		5,669	6,702	7,157	7,886	9,651	9,651	7,879	8,739	9,725
Public safety		7,186	9,320	7,074	9,497	7,651	7,651	10,190	11,185	12,509
Housing		12,580	18,788	19,722	28,207	39,764	39,764	50,241	33,181	29,784
Health		282	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,831	12,826	10,324	10,870	21,326	21,326	21,048	9,348	14,121
Planning and development		7,539	4,649	5,018	4,566	8,377	8,377	5,087	5,494	6,120
Road transport		1,292	8,177	5,306	6,304	12,949	12,949	15,961	3,854	8,001
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		277,814	324,746	397,492	449,013	608,559	608,559	469,514	538,082	610,650
Electricity		126,821	156,190	191,296	241,665	235,862	235,862	268,988	303,022	352,569
Water		66,255	69,161	108,370	103,849	267,325	267,325	86,913	107,407	123,120
Waste water management		57,182	70,266	65,222	64,650	66,428	66,428	71,069	79,571	82,040
Waste management		27,557	29,128	32,605	38,849	38,944	38,944	42,544	48,082	52,921
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	396,369	461,815	641,029	620,389	793,634	793,634	676,693	725,049	808,439
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		73,021	63,847	268,719	105,597	89,003	89,003	100,034	103,085	110,249
Executive and council		40,641	33,417	234,056	63,124	46,630	46,630	55,448	58,823	62,788
Budget and treasury office		13,525	11,716	12,778	15,475	16,002	16,002	16,177	16,702	17,763
Corporate services		18,855	18,714	21,884	26,998	26,371	26,371	28,410	27,560	29,698
<i>Community and public safety</i>		59,841	77,521	86,027	104,279	110,254	110,254	111,883	115,737	119,196
Community and social services		6,865	8,750	10,116	11,975	11,367	11,367	12,061	13,071	14,331
Sport and recreation		19,328	29,006	30,759	35,458	36,134	36,134	35,071	37,974	41,177
Public safety		18,468	22,584	24,030	28,987	29,163	29,163	29,310	31,510	33,904
Housing		14,915	17,180	21,121	27,859	33,591	33,591	35,441	33,181	29,784
Health		265	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		35,017	37,611	36,726	48,653	44,085	44,085	50,079	54,086	58,046
Planning and development		9,691	13,843	16,612	21,175	20,097	20,097	21,578	23,044	24,794
Road transport		25,326	23,769	20,114	27,478	23,988	23,988	28,500	31,041	33,252
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		184,705	238,539	255,253	338,396	404,161	404,161	387,515	439,261	501,254
Electricity		80,601	118,117	137,049	180,927	170,493	170,493	206,620	238,496	280,102
Water		44,885	51,161	52,270	74,446	153,566	153,566	91,577	101,970	112,265
Waste water management		32,227	38,871	39,452	49,263	48,050	48,050	54,133	60,064	66,413
Waste management		26,992	30,390	26,482	33,760	32,052	32,052	35,185	38,732	42,474
<i>Other</i>	4	-	1	1	-	1	1	0	-	-
<b>Total Expenditure - Standard</b>	3	352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745
<b>Surplus/(Deficit) for the year</b>		43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695

**6.3. Budgeted financial performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote	1									
Vote1 - MUNICIPAL MANAGER		37,326	38,279	135,903	42,207	31,486	31,486	35,906	35,513	33,828
Vote2 - CORPORATE SERVICES		741	827	1,195	1,230	4,509	4,509	1,235	1,330	1,454
Vote3 - FINANCIAL SERVICES		44,536	49,449	61,087	70,280	72,137	72,137	79,429	87,194	95,826
Vote4 - CIVIL SERVICES		124,729	147,605	178,897	174,803	346,702	346,702	173,944	190,832	213,161
Vote5 - COMMUNITY SERVICES		42,120	46,239	48,097	57,632	58,158	58,158	62,064	68,683	75,898
Vote6 - ELECTRICITY SERVICES		126,821	156,190	191,296	241,665	235,862	235,862	268,988	303,022	352,569
Vote7 - DEVELOPMENT AND PLANNING		20,096	23,225	24,554	32,573	44,780	44,780	55,128	38,475	35,703
Total Revenue by Vote	2	396,369	461,815	641,029	620,389	793,634	793,634	676,693	725,049	808,439
Expenditure by Vote to be appropriated	1									
Vote1 - MUNICIPAL MANAGER		40,641	33,419	234,058	63,124	46,632	46,632	55,448	58,823	62,788
Vote2 - CORPORATE SERVICES		15,561	15,503	18,206	21,190	21,054	21,054	20,736	21,950	23,394
Vote3 - FINANCIAL SERVICES		17,653	16,653	18,483	24,323	24,381	24,381	26,392	25,225	27,230
Vote4 - CIVIL SERVICES		103,545	114,151	112,470	151,780	225,875	225,875	174,283	193,015	211,824
Vote5 - COMMUNITY SERVICES		71,917	90,730	91,388	110,180	108,716	108,716	111,628	121,287	131,886
Vote6 - ELECTRICITY SERVICES		80,601	118,117	137,268	181,617	171,202	171,202	207,948	239,930	281,662
Vote7 - DEVELOPMENT AND PLANNING		22,665	28,947	34,854	44,710	49,645	49,645	53,078	51,938	49,960
Total Expenditure by Vote	2	352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745
Surplus/(Deficit) for the year	2	43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695



**6.4. Budgeted financial performance (revenue and expenditure)**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand	1									
Revenue By Source										
Property rates	2	39,413	44,294	55,141	64,952	64,991	64,991	72,062	79,313	87,319
Property rates - penalties & collection charges		2,156	2,084	2,144	1,650	2,125	2,125	2,100	2,205	2,359
Service charges - electricity revenue	2	117,958	145,593	171,939	217,368	205,198	205,198	250,017	287,520	330,647
Service charges - water revenue	2	48,072	54,924	49,780	83,609	58,754	58,754	69,910	79,000	92,100
Service charges - sanitation revenue	2	37,233	42,325	46,310	47,248	48,306	48,306	51,796	55,446	59,919
Service charges - refuse revenue	2	21,154	24,006	27,158	31,478	31,576	31,576	35,294	38,824	42,706
Service charges - other		25,456	22,428	22,651	26,349	27,005	27,005	29,043	31,698	34,771
Rental of facilities and equipment		3,357	3,893	4,137	4,398	3,957	3,957	4,247	4,746	5,311
Interest earned - external investments		23,718	26,878	18,489	14,381	11,255	11,255	10,629	10,003	9,469
Interest earned - outstanding debtors		522	414	354	293	341	341	345	376	361
Dividends received		-	-	-	-	-	-	-	-	-
Fines		2,758	4,910	2,644	5,064	3,103	3,103	5,258	5,783	6,476
Licences and permits		4,257	4,242	4,315	4,326	4,477	4,477	4,778	5,239	5,859
Agency services		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		32,695	43,824	48,886	59,467	74,882	74,882	73,331	69,912	68,962
Other revenue	2	15,420	14,448	108,398	20,935	27,987	27,987	35,055	35,978	35,726
Gains on disposal of PPE		1,197	126	9,897	12,577	32	32	9	10	13
Total Revenue (excluding capital transfers and contributions)		375,365	434,390	572,244	594,093	563,990	563,990	643,874	706,053	781,997
Expenditure By Type										
Employee related costs	2	101,684	127,640	153,958	173,990	174,508	174,508	184,345	198,449	215,358
Remuneration of councillors		4,896	5,427	5,781	6,591	6,459	6,459	7,404	8,010	8,739
Debt impairment	3	6,580	12,333	12,514	13,795	10,008	10,008	12,860	14,146	15,702
Depreciation & asset impairment	2	34,847	23,068	25,887	33,775	31,736	31,736	38,298	42,743	44,068
Finance charges		654	787	995	543	851	851	3,586	3,446	3,470
Bulk purchases	2	57,157	92,789	105,503	147,213	132,395	132,395	167,017	199,621	238,605
Other materials	8	5,239	9,966	8,334	11,108	10,661	10,661	10,166	11,208	12,314
Contracted services		17,295	19,230	19,496	23,437	26,760	26,760	31,619	34,690	38,077
Transfers and grants		2,959	3,010	2,673	4,104	3,194	3,194	4,314	4,889	5,556
Other expenditure	4, 5	107,091	122,882	311,237	182,319	250,824	250,824	189,803	194,866	206,755
Loss on disposal of PPE		14,183	387	351	50	108	108	100	100	100
Total Expenditure		352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745
Surplus/(Deficit)		22,781	16,870	(74,483)	(2,832)	(83,515)	(83,515)	(5,638)	(6,116)	(6,747)
Transfers recognised - capital	6	21,004	27,425	67,765	26,296	146,709	146,709	32,819	18,996	26,442
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	1,020	-	82,935	82,935	-	-	-
Surplus/(Deficit) after capital transfers & contributions		43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695
Taxation										
Surplus/(Deficit) after taxation		43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695
Share of surplus/ (deficit) of associate	7									
Surplus/(Deficit) for the year		43,786	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695

### 6.5. Budgeted capital expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
Vote1 - MUNICIPAL MANAGER		70	72	73	-	-	-	-	-	-
Vote2 - CORPORATE SERVICES		259	605	93	-	141	141	49	343	353
Vote3 - FINANCIAL SERVICES		1,986	1,942	32	505	505	505	2,348	516	510
Vote4 - CIVIL SERVICES		54,493	33,460	16,399	23,376	35,768	35,768	28,129	44,408	46,832
Vote5 - COMMUNITY SERVICES		1,658	1,368	3,343	7,345	7,291	7,291	3,915	2,536	3,605
Vote6 - ELECTRICITY SERVICES		6,444	12,315	18,661	23,190	22,752	22,752	13,250	21,385	26,135
Vote7 - DEVELOPMENT AND PLANNING		9,565	2,424	3,861	90	6,263	6,263	11,820	15,037	20
<b>Capital multi-year expenditure sub-total</b>	7	<b>74,475</b>	<b>52,186</b>	<b>42,462</b>	<b>54,506</b>	<b>72,720</b>	<b>72,720</b>	<b>59,510</b>	<b>84,225</b>	<b>77,455</b>
<b>Single-year expenditure to be appropriated</b>	2									
Vote1 - MUNICIPAL MANAGER		45	8	663	1,400	110	110	1,512	500	-
Vote2 - CORPORATE SERVICES		104	23	1,430	785	4,075	4,075	2,238	240	340
Vote3 - FINANCIAL SERVICES		317	150	259	200	1,036	1,036	268	40	-
Vote4 - CIVIL SERVICES		5,500	36,803	88,314	160,207	167,863	167,863	34,608	27,025	28,360
Vote5 - COMMUNITY SERVICES		4,360	4,509	5,867	7,782	6,551	6,551	9,175	1,640	380
Vote6 - ELECTRICITY SERVICES		2,670	6,353	6,796	7,970	7,570	7,570	5,270	620	-
Vote7 - DEVELOPMENT AND PLANNING		321	470	314	495	613	613	3,440	-	-
<b>Capital single-year expenditure sub-total</b>		<b>13,317</b>	<b>48,316</b>	<b>103,643</b>	<b>178,839</b>	<b>187,818</b>	<b>187,818</b>	<b>56,511</b>	<b>30,065</b>	<b>29,080</b>
<b>Total Capital Expenditure - Vote</b>		<b>87,792</b>	<b>100,502</b>	<b>146,105</b>	<b>233,346</b>	<b>260,538</b>	<b>260,538</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>3,410</b>	<b>3,227</b>	<b>2,550</b>	<b>2,891</b>	<b>5,867</b>	<b>5,867</b>	<b>6,414</b>	<b>1,639</b>	<b>1,203</b>
Executive and council		130	80	736	1,400	110	110	1,512	500	-
Budget and treasury office		2,303	2,092	291	706	1,541	1,541	2,615	556	510
Corporate services		977	1,055	1,523	785	4,216	4,216	2,287	583	693
<b>Community and public safety</b>		<b>13,664</b>	<b>8,149</b>	<b>9,720</b>	<b>11,943</b>	<b>18,057</b>	<b>18,057</b>	<b>24,285</b>	<b>17,393</b>	<b>985</b>
Community and social services		1,763	950	759	1,216	1,054	1,054	1,346	131	60
Sport and recreation		1,793	3,339	5,683	7,405	5,957	5,957	4,374	1,375	300
Public safety		910	1,538	1,528	3,322	4,873	4,873	3,350	870	625
Housing		9,197	2,323	1,751	-	6,173	6,173	15,215	15,017	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>5,595</b>	<b>13,238</b>	<b>23,546</b>	<b>19,883</b>	<b>22,493</b>	<b>22,493</b>	<b>34,622</b>	<b>20,530</b>	<b>18,642</b>
Planning and development		59	144	2,425	585	703	703	45	20	20
Road transport		5,536	13,094	21,122	19,298	21,790	21,790	34,577	20,510	18,622
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>64,993</b>	<b>75,878</b>	<b>110,286</b>	<b>198,499</b>	<b>213,962</b>	<b>213,962</b>	<b>50,540</b>	<b>74,706</b>	<b>85,695</b>
Electricity		9,114	18,668	25,457	31,160	30,322	30,322	18,520	22,005	26,135
Water		28,032	27,100	59,380	145,470	159,510	159,510	6,350	27,481	29,150
Waste water management		26,296	30,059	24,209	18,685	22,174	22,174	21,650	23,420	27,410
Waste management		1,552	51	1,240	3,184	1,957	1,957	4,020	1,800	3,000
<b>Other</b>		<b>130</b>	<b>10</b>	<b>2</b>	<b>130</b>	<b>158</b>	<b>158</b>	<b>160</b>	<b>22</b>	<b>10</b>
<b>Total Capital Expenditure - Standard</b>	3	<b>87,792</b>	<b>100,502</b>	<b>146,105</b>	<b>233,346</b>	<b>260,538</b>	<b>260,538</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>
<b>Funded by:</b>										
National Government		3,172	22,333	43,901	26,296	27,374	27,374	17,132	18,196	25,642
Provincial Government		55	4,586	1,364	-	3,467	3,467	15,687	15,817	800
District Municipality		123	-	-	-	1,862	1,862	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>3,350</b>	<b>26,919</b>	<b>45,265</b>	<b>26,296</b>	<b>32,703</b>	<b>32,703</b>	<b>32,819</b>	<b>34,013</b>	<b>26,442</b>
<b>Public contributions &amp; donations</b>	5	<b>1</b>	<b>64</b>	<b>24,262</b>	<b>2,120</b>	<b>17,089</b>	<b>17,089</b>	<b>1,950</b>	<b>2,050</b>	<b>3,200</b>
<b>Borrowing</b>	6	<b>26,707</b>	<b>3,929</b>	<b>-</b>	<b>100,475</b>	<b>130,475</b>	<b>130,475</b>	<b>2,224</b>	<b>390</b>	<b>370</b>
<b>Internally generated funds</b>		<b>57,734</b>	<b>69,590</b>	<b>76,578</b>	<b>104,455</b>	<b>80,271</b>	<b>80,271</b>	<b>79,028</b>	<b>77,837</b>	<b>76,523</b>
<b>Total Capital Funding</b>	7	<b>87,792</b>	<b>100,502</b>	<b>146,105</b>	<b>233,346</b>	<b>260,538</b>	<b>260,538</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>

## 6.6. Budgeted Financial Position

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
ASSETS										
Current assets										
Cash		7,556	14	14	5,544	5,544	5,544	5,223	6,068	5,158
Call investment deposits	1	196,000	203,000	187,000	208,000	208,000	208,000	194,000	205,000	190,000
Consumer debtors	1	26,262	29,783	36,088	24,025	24,025	24,025	26,775	26,191	15,308
Other debtors		20,642	25,510	43,170	29,402	29,402	29,402	35,278	41,907	39,812
Current portion of long-term receivables		1,306	631	410	423	423	423	290	221	210
Inventory	2	11,904	11,207	12,126	11,532	11,532	11,532	10,779	10,802	11,342
Total current assets		263,670	270,144	278,808	278,927	278,927	278,927	272,345	290,188	261,829
Non current assets										
Long-term receivables		1,560	1,221	2,187	1,085	1,085	1,085	916	734	698
Investments		-	-	-	-	-	-	-	-	-
Investment property		514,640	503,158	413,143	491,009	491,009	491,009	505,918	507,813	482,422
Investment in Associate		-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	672,872	859,740	980,453	986,756	986,756	986,756	956,963	935,227	975,232
Agricultural		-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-
Intangible		596	442	287	696	696	696	832	976	1,025
Other non-current assets		-	-	-	-	-	-	-	-	-
Total non current assets		1,189,668	1,364,560	1,396,071	1,479,546	1,479,546	1,479,546	1,464,630	1,444,750	1,459,377
TOTAL ASSETS		1,453,338	1,634,704	1,674,879	1,758,473	1,758,473	1,758,473	1,736,975	1,734,939	1,721,206
LIABILITIES										
Current liabilities										
Bank overdraft	1	-	1,099	8,271	-	-	-	-	-	-
Borrowing	4	1,943	1,905	1,681	1,388	1,388	1,388	980	1,445	1,575
Consumer deposits		8,165	2,750	10,161	10,669	10,669	10,669	11,203	11,427	11,541
Trade and other payables	4	39,233	69,770	92,068	65,810	65,810	65,810	67,532	73,314	69,759
Provisions		3,978	4,672	9,760	4,860	4,860	4,860	5,237	5,861	5,568
Total current liabilities		53,319	80,195	121,941	82,727	82,727	82,727	84,952	92,047	88,443
Non current liabilities										
Borrowing		2,780	2,995	2,096	32,364	32,364	32,364	28,916	24,192	54,247
Provisions		65,249	69,274	80,756	76,795	76,795	76,795	85,040	94,202	95,694
Total non current liabilities		68,029	72,269	82,851	109,159	109,159	109,159	113,957	118,394	149,941
TOTAL LIABILITIES		121,348	152,464	204,792	191,886	191,886	191,886	198,909	210,441	238,384
NET ASSETS	5	1,331,990	1,482,240	1,470,087	1,566,587	1,566,587	1,566,587	1,538,066	1,524,497	1,482,822
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		962,389	1,370,577	1,387,397	1,548,343	1,523,330	1,523,330	1,523,855	1,537,206	1,489,795
Reserves	4	369,601	111,663	82,691	18,244	43,257	43,257	14,211	(12,708)	(6,973)
Minorities' interests		-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	1,331,990	1,482,240	1,470,087	1,566,587	1,566,587	1,566,587	1,538,066	1,524,497	1,482,822

**6.7. Budgeted Cash flows**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	1	312,375	341,480	457,508	506,059	506,059	506,059	598,131	679,921	741,114
Government - operating		26,605	51,427	116,107	54,976	54,976	54,976	62,657	67,098	71,795
Government - capital	1	17,959	31,227		23,302	23,302	23,302	24,828	19,276	24,095
Interest		24,240	27,291	18,842	14,674	14,674	14,674	15,962	14,552	15,280
Dividends										
Payments										
Suppliers and employees		(216,408)	(266,849)	(291,487)	(390,143)	(390,143)	(390,143)	(458,749)	(523,594)	(562,864)
Finance charges		(654)	(787)	(995)	(543)	(543)	(543)	(536)	(403)	(424)
Transfers and Grants	1	(88,657)	(89,031)	(278,157)	(180,001)	(180,001)	(180,001)	(183,793)	(204,794)	(206,842)
NET CASH FROM/(USED) OPERATING ACTIVITIES		75,460	94,759	21,818	28,324	28,324	28,324	58,499	52,055	82,154
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,197	758	11,217	12,527	12,527	12,527	11,272	9,918	10,414
Decrease (increase) in non-current debtors										
Decrease (increase) other non-current receivables		1,269	1,057	314	644	644	644	496	417	438
Decrease (increase) in non-current investments		207,000		90,014						
Payments										
Capital assets		(61,490)	(98,691)	(146,105)	(39,818)	(39,818)	(39,818)	(47,219)	(54,382)	(142,795)
NET CASH FROM/(USED) INVESTING ACTIVITIES		147,975	(96,876)	(44,560)	(26,647)	(26,647)	(26,647)	(35,451)	(44,047)	(131,944)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		1,112	111	(1,123)	29,816	29,816	29,816	(408)	465	30,488
Increase (decrease) in consumer deposits		125	365	692	308	308	308	339	373	391
Payments										
Repayment of borrowing					3,000	3,000	3,000	3,000	3,000	3,000
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,238	476	(430)	33,124	33,124	33,124	2,931	3,838	33,880
NET INCREASE/ (DECREASE) IN CASH HELD		224,673	(1,641)	(23,172)	34,801	34,801	34,801	25,979	11,846	(15,910)
Cash/cash equivalents at the year begin:	2	(21,117)	203,556	201,915	178,743	178,743	178,743	173,244	199,223	211,068
Cash/cash equivalents at the year end:	2	203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158

**6.8. Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158
Other current investments > 90 days		(0)	(0)	(0)	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158
Application of cash and investments										
Unspent conditional transfers		2,915	14,321	13,754	8,988	8,988	8,988	5,683	5,858	6,385
Unspent borrowing										
Statutory requirements	2	2,571	2,952	10,161	10,669	10,669	10,669	11,203	11,427	11,541
Other working capital requirements	3	7,215	32,118	43,008	31,361	29,940	29,940	25,220	28,354	37,984
Other provisions		3,978	10,558	6,425	9,460	9,460	9,460	11,337	13,261	13,924
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	118,318	111,663	82,691	18,244	43,257	43,257	14,211	(12,708)	(6,973)
Total Application of cash and investments:		134,997	171,612	156,039	78,721	102,314	102,314	67,655	46,191	62,861
Surplus(shortfall)		68,559	30,303	22,705	134,823	111,231	111,231	131,568	164,877	132,297

## 6.9. Asset management

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
CAPITAL EXPENDITURE										
<b>Total New Assets</b>	1	67,967	86,967	116,773	218,850	244,375	244,375	104,461	106,310	101,585
Infrastructure - Road transport		17,880	22,268	16,871	13,238	16,939	16,939	34,007	23,755	21,842
Infrastructure - Electricity		7,299	17,511	27,641	28,440	29,442	29,442	17,020	20,550	24,800
Infrastructure - Water		28,032	25,626	37,546	146,104	158,571	158,571	8,165	21,503	24,785
Infrastructure - Sanitation		2,235	10,366	11,657	14,245	14,312	14,312	13,130	19,723	24,055
Infrastructure - Other		1,552	60	1,197	3,014	2,020	2,020	2,960	1,800	2,700
Infrastructure		56,997	75,830	94,912	205,041	221,284	221,284	75,282	87,331	98,182
Community		4,126	5,444	9,982	10,453	9,141	9,141	4,415	1,040	460
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	6,844	5,693	11,879	3,356	13,950	13,950	24,764	17,939	2,943
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	19,825	13,535	29,332	14,496	16,163	16,163	11,560	7,980	4,950
Infrastructure - Road transport		7,662	8,884	20,296	7,200	8,525	8,525	4,335	2,300	2,300
Infrastructure - Electricity		1,839	1,157	5,409	2,721	2,720	2,720	1,000	1,200	1,200
Infrastructure - Water		-	1,475	1,055	500	473	473	-	1,100	-
Infrastructure - Sanitation		4,055	1,637	1,832	2,166	3,023	3,023	600	1,680	670
Infrastructure - Other		-	-	400	300	186	186	500	-	300
Infrastructure		13,556	13,152	28,992	12,887	14,927	14,927	6,435	6,280	4,470
Community		576	382	339	1,490	1,236	1,236	2,685	700	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	5,693	-	-	119	-	-	2,440	1,000	480
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	25,543	31,151	37,167	20,438	25,464	25,464	38,342	26,055	24,142
Infrastructure - Road transport		9,137	18,668	33,050	31,161	32,162	32,162	18,020	21,750	26,000
Infrastructure - Electricity		28,032	27,100	38,601	146,604	159,044	159,044	8,165	22,603	24,785
Infrastructure - Water		6,289	12,003	13,489	16,411	17,335	17,335	13,730	21,403	24,725
Infrastructure - Sanitation		1,552	60	1,597	3,314	2,206	2,206	3,460	1,800	3,000
Infrastructure - Other		70,553	88,982	123,904	217,928	236,211	236,211	81,717	93,611	102,652
Infrastructure		4,702	5,826	10,321	11,943	10,377	10,377	7,100	1,740	460
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	12,538	5,693	11,879	3,475	13,950	13,950	27,204	18,939	3,423
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	87,792	100,502	146,105	233,346	260,538	260,538	116,021	114,290	106,535
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	86,946	86,776	99,447	100,086	100,086	90,741	86,203	85,795	155,788
Infrastructure - Electricity		55,308	89,064	100,920	101,569	101,569	87,384	88,476	88,057	112,547
Infrastructure - Water		90,281	106,700	123,940	124,737	124,737	228,877	227,134	226,441	152,625
Infrastructure - Sanitation		57,757	65,311	74,073	74,549	74,549	64,079	64,880	64,573	121,592
Infrastructure - Other		19,813	30,727	35,447	35,675	35,675	30,148	30,525	30,380	-
Infrastructure		310,105	378,578	433,828	436,617	436,617	501,228	497,218	495,247	542,552
Community		57,518	55,865	63,800	64,210	64,210	49,862	43,305	37,658	34,931
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		514,640	503,158	413,143	491,009	491,009	491,009	505,918	507,813	482,422
Other assets		305,249	425,297	482,826	485,930	485,930	435,666	416,440	402,322	397,748
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		596	442	287	696	696	696	832	976	1,025
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,188,108	1,363,339	1,393,884	1,478,461	1,478,461	1,478,461	1,463,713	1,444,016	1,458,679
EXPENDITURE OTHER ITEMS										
<b>Depreciation &amp; asset impairment</b>	3	34,847	23,068	25,887	33,775	31,736	31,736	38,298	42,743	44,068
<b>Repairs and Maintenance by Asset Class</b>		30,707	34,033	29,781	35,865	37,591	37,591	39,591	38,433	41,437
Infrastructure - Road transport		13,866	14,002	9,171	12,747	8,755	8,755	12,660	13,795	14,908
Infrastructure - Electricity		2,849	3,475	3,559	3,513	8,263	8,263	7,411	3,670	3,938
Infrastructure - Water		2,800	3,541	3,121	3,575	3,416	3,416	4,231	4,522	4,869
Infrastructure - Sanitation		425	801	682	900	866	866	890	958	1,021
Infrastructure - Other		692	533	538	819	865	865	660	720	777
Infrastructure		20,632	22,352	17,070	21,554	22,164	22,164	25,857	23,665	25,514
Community		3,297	4,250	3,912	5,031	6,005	6,005	4,132	4,472	4,851
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	6,778	7,431	8,800	9,281	9,422	9,422	9,608	10,296	11,072
TOTAL EXPENDITURE OTHER ITEMS		65,553	57,101	55,668	69,640	69,327	69,327	77,889	81,176	85,505
% of capital exp on renewal of assets										
Renewal of Existing Assets as % of deprecn"		56.9%	58.7%	113.3%	42.9%	50.9%	50.9%	30.2%	18.7%	11.2%
R&M as a % of PPE		4.6%	4.0%	3.0%	3.6%	3.8%	3.8%	4.1%	4.1%	4.2%
Renewal and R&M as a % of PPE		4.0%	3.0%	4.0%	3.0%	4.0%	4.0%	3.0%	3.0%	3.0%



## 6.10. Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>	1									
<b>Water:</b>										
Piped water inside dwelling		25	26	26	26	26	26	27	27	28
Piped water inside yard (but not in dwelling)		6	6	6	6	6	6	6	5	4
Using public tap (at least min.service level)	2	1	1	1	1	1	1	1	1	1
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		32	33	32	33	33	33	33	33	33
Using public tap (< min.service level)	3	0	0	0	0	0	0	0	0	0
Other water supply (< min.service level)	4	0	0	0	0	0	0	0	0	0
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		1	1	1	1	1	1	0	0	0
<b>Total number of households</b>	5	32	33	33	33	33	33	33	33	33
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		17	19	22	22	22	22	23	23	24
Flush toilet (with septic tank)		6	6	6	6	6	6	6	6	5
Chemical toilet		0	0	0	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		23	25	27	28	28	28	29	29	29
Bucket toilet		1	1	1	1	1	1	1	0	0
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		1	1	1	1	1	1	1	0	0
<b>Total number of households</b>	5	23	25	28	28	28	28	29	29	29
<b>Energy:</b>										
Electricity (at least min.service level)		7	7	7	7	7	7	7	7	7
Electricity - prepaid (min.service level)		22	23	23	24	24	24	25	25	25
<i>Minimum Service Level and Above sub-total</i>		29	30	30	31	31	31	32	32	32
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		0	0	0	0	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>		0	0	0	0	0	0	0	0	0
<b>Total number of households</b>	5	30	30	30	32	32	32	32	32	32
<b>Refuse:</b>										
Removed at least once a week		26	27	23	28	28	28	28	28	29
<i>Minimum Service Level and Above sub-total</i>		26	27	23	28	28	28	28	28	29
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		0	0	0	0	0	0	0	0	0
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		0	0	0	0	0	0	0	0	0
<b>Total number of households</b>	5	26	27	23	28	28	28	28	28	29
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		25	26	36	36	36	36	37	38	38
Sanitation (free minimum level service)		6	8	8	8	8	8	8	8	8
Electricity/other energy (50kwh per household per month)		24	25	26	29	29	29	29	30	31
Refuse (removed at least once a week)		8	8	10	10	10	10	10	10	10
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		503	519	557	602	602	602	662	728	801
Sanitation (free sanitation service)		997	910	239	263	263	263	272	299	317
Electricity/other energy (50kwh per household per month)		122	1,524	403	491	491	491	614	768	829
Refuse (removed once a week)		626	885	1,009	1,161	1,161	1,161	1,277	1,405	1,475
<b>Total cost of FBS provided (minimum social package)</b>		2,248	3,838	2,209	2,517	2,517	2,517	2,825	3,199	3,421
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		15	50	50	50	50	50	50	35	35
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		117	146	146	146	146	146	154	175	190
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		38	61	61	78	78	78	81	94	100
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		2,017	1,442	1,719	1,727	1,727	1,727	1,736	1,745	1,832
Property rates (other exemptions, reductions and rebates)		315	3,492	4,139	4,160	4,160	4,160	4,181	4,201	4,412
Water		5,433	5,497	5,106	5,131	5,131	5,131	5,157	5,183	5,701
Sanitation		865	945	1,434	1,441	1,441	1,441	1,448	1,456	1,543
Electricity/other energy		634	2,355	4,361	4,382	4,382	4,382	4,404	4,426	4,781
Refuse		251	441	491	494	494	494	496	499	549
Municipal Housing - rental rebates		463	384	-	388	388	388	407	409	430
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	9,979	14,555	17,250	17,723	17,723	17,723	17,830	17,919	19,246

### 6.11. Other supporting tables / graphs

#### CASH BUDGET

The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2011/12 budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2011/2012</b>								
<b>INCOME</b>								
56	Property Rates	(74,674,262)	11.0%		372,941	2,611,856	(71,689,465)	12.9%
58	Penalties Imposed And Collection Charges	(2,100,000)	0.3%				(2,100,000)	0.4%
62	Service Charges	(436,060,821)	64.4%		21,726,558	47,262,169	(367,072,094)	66.3%
66	Rent of Facilities and Equipment	(4,246,802)	0.6%				(4,246,802)	0.8%
68	Interest Earned - External Investments	(10,628,600)	1.6%	-			(10,628,600)	1.9%
72	Interest Earned - Outstanding Debtors	(345,050)	0.1%				(345,050)	0.1%
76	Fines	(5,257,750)	0.8%				(5,257,750)	0.9%
78	Licenses and Permits	(4,777,650)	0.7%				(4,777,650)	0.9%
82	Grants & Subsidies Received - Operating	(73,330,616)	10.8%				(73,330,616)	13.2%
83	Grants & Subsidies Received - Capital	(32,818,891)	4.8%	32,818,891			-	0.0%
84	Other Revenue	(35,055,491)	5.2%	5,775,177		14,950,000	(14,330,314)	2.6%
85	Public Contr & Donated Property, Plant & E	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(8,500)	0.0%	8,500		-	-	0.0%
<b>OPERATING INCOME GENERATED</b>		(679,304,433)		38,602,568	22,099,499	64,824,025	(553,778,341)	
88	Less Revenue Foregone	2,611,856	-0.4%			(2,611,856)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(676,692,577)</b>	<b>100.0%</b>	<b>38,602,568</b>	<b>22,099,499</b>	<b>62,212,169</b>	<b>(553,778,341)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	170,387,803	26.2%		-		170,387,803	30.8%
4	Less Employee Costs Capitalised	(1,709,250)	-0.3%				(1,709,250)	-0.3%
6	Less Empl Costs Alloc To Other Operating	-	0.0%		-		-	0.0%
8	Remuneration Of Councillors	7,403,587	1.1%				7,403,587	1.3%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	4,900,000	0.8%				4,900,000	0.9%
14	General Expenses - Bulk Purchases	167,017,216	25.7%				167,017,216	30.2%
16	General Expenses - Contracted Services	31,618,680	4.9%				31,618,680	5.7%
18	General Expenses - Grants & Subsidies Pa	4,313,686	0.7%			(3,432,000)	881,686	0.2%
20	General Expenses - Other	110,858,564	17.1%	(9,609)	(22,099,499)	(950,000)	87,799,456	15.9%
22	Repairs & Maintenance - Municipal Assets	39,591,283	6.1%				39,591,283	7.2%
24	Depreciation - Property, Plant & Equip	37,192,699	5.7%				37,192,699	6.7%
26	Depreciation - Leased Property Plant & E	1,015,549	0.2%				1,015,549	0.2%
27	Amortisation - Intangible Assets	89,583	0.0%				89,583	0.0%
28	Interest Expense - External Borrowings	3,586,294	0.6%				3,586,294	0.6%
30	Disposal Of Property, Plant & Equipment	100,000	0.0%	(100,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	28,527,068	4.4%	(11,422,125)		(12,860,135)	4,244,808	0.8%
44	Interdepartmental Charges And Recoveries	(351,400)	-0.1%				(351,400)	-0.1%
48	Other Adjustments & Transfers [Appropria	44,970,034	6.9%			(44,970,034)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		<b>649,511,396</b>		<b>(11,531,734)</b>	<b>(22,099,499)</b>	<b>(62,212,169)</b>	<b>553,667,994</b>	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	21,660,572	3.3%				21,660,572	3.9%
	Admin-Internal Recovery (CR)	(21,660,572)	-3.3%				(21,660,572)	-3.9%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>649,511,396</b>	<b>100.0%</b>	<b>(11,531,734)</b>	<b>(22,099,499)</b>	<b>(62,212,169)</b>	<b>553,667,994</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(27,181,181)</b>		<b>27,070,834</b>	<b>-</b>	<b>-</b>	<b>(110,347)</b>	

The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2012/13 projected budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2012/2013</b>								
<b>INCOME</b>								
56	Property Rates	(82,141,535)	11.3%		410,235	2,828,973	(78,902,327)	13.0%
58	Penalties Imposed And Collection Charges	(2,205,000)	0.3%				(2,205,000)	0.4%
62	Service Charges	(492,487,764)	67.9%		25,801,783	52,241,929	(414,444,052)	68.3%
66	Rent of Facilities and Equipment	(4,745,718)	0.7%				(4,745,718)	0.8%
68	Interest Earned - External Investments	(10,002,884)	1.4%	-			(10,002,884)	1.6%
72	Interest Earned - Outstanding Debtors	(375,955)	0.1%				(375,955)	0.1%
76	Fines	(5,783,393)	0.8%				(5,783,393)	1.0%
78	Licenses and Permits	(5,239,253)	0.7%				(5,239,253)	0.9%
82	Grants & Subsidies Received - Operating	(69,911,622)	9.6%				(69,911,622)	11.5%
83	Grants & Subsidies Received - Capital	(18,996,000)	2.6%	18,996,000			-	0.0%
84	Other Revenue	(35,978,279)	5.0%	6,411,883		14,550,000	(15,016,396)	2.5%
85	Public Contr & Donated Property, Plant &	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(10,200)	0.0%	10,200		-	-	0.0%
<b>OPERATING INCOME GENERATED</b>		(727,877,603)		25,418,083	26,212,018	69,620,902	(606,626,600)	
88	Less Revenue Foregone	2,828,973	-0.4%			(2,828,973)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(725,048,630)</b>	<b>100.0%</b>	<b>25,418,083</b>	<b>26,212,018</b>	<b>66,791,929</b>	<b>(606,626,600)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	183,134,999	25.7%		-		183,134,999	30.2%
4	Less Employee Costs Capitalised	(1,748,136)	-0.2%				(1,748,136)	-0.3%
6	Less Empl Costs Alloc To Other Operating	-	0.0%		-		-	0.0%
8	Remuneration Of Councillors	8,010,301	1.1%				8,010,301	1.3%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	5,292,000	0.7%				5,292,000	0.9%
14	General Expenses - Bulk Purchases	199,620,659	28.0%				199,620,659	32.9%
16	General Expenses - Contracted Services	34,689,990	4.9%				34,689,990	5.7%
18	General Expenses - Grants & Subsidies Pa	4,889,070	0.7%			(3,946,800)	942,270	0.2%
20	General Expenses - Other	114,534,528	16.1%	(10,186)	(26,212,018)	(550,000)	87,762,324	14.5%
22	Repairs & Maintenance - Municipal Assets	38,432,724	5.4%				38,432,724	6.3%
24	Depreciation - Property, Plant & Equip	41,915,131	5.9%				41,915,131	6.9%
26	Depreciation - Leased Property Plant & E	825,265	0.1%				825,265	0.1%
27	Amortisation - Intangible Assets	2,578	0.0%				2,578	0.0%
28	Interest Expense - External Borrowings	3,446,001	0.5%				3,446,001	0.6%
30	Disposal Of Property, Plant & Equipment	100,000	0.0%	(100,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	31,207,888	4.4%	(12,516,530)		(14,146,149)	4,545,209	0.7%
44	Interdepartmental Charges And Recoveries	(333,832)	0.0%				(333,832)	-0.1%
48	Other Adjustments & Transfers [Appropria	48,148,980	6.8%			(48,148,980)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		712,168,146		(12,626,716)	(26,212,018)	(66,791,929)	606,537,483	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	24,043,232	3.4%				24,043,232	4.0%
	Admin-Internal Recovery (CR)	(24,043,234)	-3.4%				(24,043,234)	-4.0%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>712,168,144</b>	<b>100.0%</b>	<b>(12,626,716)</b>	<b>(26,212,018)</b>	<b>(66,791,929)</b>	<b>606,537,481</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(12,880,486)</b>		<b>12,791,367</b>	<b>-</b>	<b>-</b>	<b>(89,119)</b>	

The following schedule shows the Cash Budget of the operating revenue per source and expenditure per type for the 2013/14 projected budget year:

TYPE CODE	TYPE	TOTAL	% of total income/exp budget	NON-CASH Transactions	Departmental Costs	Transfers out (Contra)	TOTAL CASH BUDGET	% of total income/exp budget
<b>2013/2014</b>								
<b>INCOME</b>								
56	Property Rates	(90,355,535)	11.2%		451,259	3,036,934	(86,867,342)	12.9%
58	Penalties Imposed And Collection Charges	(2,359,350)	0.3%				(2,359,350)	0.4%
62	Service Charges	(560,143,509)	69.3%		30,877,138	57,433,170	(471,833,201)	70.2%
66	Rent of Facilities and Equipment	(5,310,798)	0.7%				(5,310,798)	0.8%
68	Interest Earned - External Investments	(9,468,540)	1.2%	-			(9,468,540)	1.4%
72	Interest Earned - Outstanding Debtors	(361,079)	0.0%				(361,079)	0.1%
76	Fines	(6,475,725)	0.8%				(6,475,725)	1.0%
78	Licenses and Permits	(5,858,899)	0.7%				(5,858,899)	0.9%
82	Grants & Subsidies Received - Operating	(68,961,904)	8.5%				(68,961,904)	10.3%
83	Grants & Subsidies Received - Capital	(26,442,000)	3.3%	26,442,000			-	0.0%
84	Other Revenue	(35,726,013)	4.4%	7,045,344		14,400,000	(14,280,669)	2.1%
85	Public Contr & Donated Property, Plant &	-	0.0%				-	0.0%
86	Gains on Disposal Of Property, Plant & E	(12,750)	0.0%	12,750		-	-	0.0%
<b>OPERATING INCOME GENERATED</b>		(811,476,102)		33,500,094	31,328,397	74,870,104	(671,777,507)	
88	Less Revenue Foregone	3,036,934	-0.4%			(3,036,934)	-	0.0%
<b>TOTAL OPERATING INCOME</b>		<b>(808,439,168)</b>	<b>100.0%</b>	<b>33,500,094</b>	<b>31,328,397</b>	<b>71,833,170</b>	<b>(671,777,507)</b>	<b>100.0%</b>
<b>EXPENDITURE</b>								
2	Employee Related Costs	198,559,161	25.2%		-		198,559,161	29.6%
4	Less Employee Costs Capitalised	(1,814,020)	-0.2%				(1,814,020)	-0.3%
6	Less Empl Costs Alloc To Other Operating	-	0.0%		-		-	0.0%
8	Remuneration Of Councillors	8,739,222	1.1%				8,739,222	1.3%
10	Bad Debts	-	0.0%				-	0.0%
12	Collection Costs	5,715,360	0.7%				5,715,360	0.9%
14	General Expenses - Bulk Purchases	238,604,791	30.3%				238,604,791	35.5%
16	General Expenses - Contracted Services	38,076,975	4.8%				38,076,975	5.7%
18	General Expenses - Grants & Subsidies Pa	5,556,472	0.7%			(4,538,820)	1,017,652	0.2%
20	General Expenses - Other	121,035,385	15.3%	(10,695)	(31,328,397)	(400,000)	89,296,293	13.3%
22	Repairs & Maintenance - Municipal Assets	41,436,725	5.3%				41,436,725	6.2%
24	Depreciation - Property, Plant & Equip	43,255,755	5.5%				43,255,755	6.4%
26	Depreciation - Leased Property Plant & E	809,516	0.1%				809,516	0.1%
27	Amortisation - Intangible Assets	2,578	0.0%				2,578	0.0%
28	Interest Expense - External Borrowings	3,470,258	0.4%				3,470,258	0.5%
30	Disposal Of Property, Plant & Equipment	100,000	0.0%	(100,000)			-	0.0%
32	Contributions From Operating To Capital	-	0.0%				-	0.0%
34	Contributions To / From Provisions & Res	34,314,822	4.4%	(13,751,333)		(15,702,225)	4,861,264	0.7%
44	Interdepartmental Charges And Recoveries	(310,459)	0.0%				(310,459)	0.0%
48	Other Adjustments & Transfers [Appropria	51,192,125	6.5%			(51,192,125)	-	0.0%
<b>DIRECT OPERATING EXPENDITURE</b>		<b>788,744,666</b>		<b>(13,862,028)</b>	<b>(31,328,397)</b>	<b>(71,833,170)</b>	<b>671,721,071</b>	
<b>INTERNAL CHARGES</b>								
	Admin-Internal Charges (DR)	26,447,560	3.4%				26,447,560	3.9%
	Admin-Internal Recovery (CR)	(26,447,556)	-3.4%				(26,447,556)	-3.9%
<b>TOTAL OPERATING EXPENDITURE</b>		<b>788,744,670</b>	<b>100.0%</b>	<b>(13,862,028)</b>	<b>(31,328,397)</b>	<b>(71,833,170)</b>	<b>671,721,075</b>	<b>100.0%</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>		<b>(19,694,498)</b>		<b>19,638,066</b>	<b>-</b>	<b>-</b>	<b>(56,432)</b>	

## OPERATING BUDGET PER ITEM

The following schedule shows the operating revenue and expenditure per item for current financial year as well as the 2011/12 MTREF period:

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
2 Employee Related Costs							
10	Allowance-Acting	455,000	640,200	640,200	470,000	488,800	503,464
20	Allowance-Cashiers	25,275	26,275	26,275	22,725	23,180	23,411
30	Allowance - Entertainment	-	-	-	-	-	-
40	Allowance-Housing Subsidy	1,237,082	1,197,482	1,197,482	1,221,796	1,234,014	1,283,372
43	Allowance-Locomotion-Bus	238,464	238,914	238,914	215,040	219,343	228,119
44	Allowance-Locomotion-Claims	568,183	803,683	803,683	530,282	537,174	553,290
45	Allowance-Locomotion-Fixed	2,482,435	2,741,035	2,741,035	3,104,059	3,538,625	4,104,803
50	Allowance-Other	1,496,729	1,538,129	1,538,129	1,595,974	1,699,712	1,815,294
125	Bonuses	8,055,508	8,055,508	8,055,508	8,521,209	9,058,044	9,692,105
250	Contract Workers	921,000	841,000	841,000	1,691,676	2,030,011	2,476,614
260	Contributions-Med. Aid Fund	9,056,541	8,874,791	8,874,791	10,027,555	11,130,587	12,354,948
265	Contributions-Pension Fund	13,024,149	12,979,099	12,979,099	14,139,315	15,341,156	16,645,154
270	Contributions-Provident Fund	3,793,122	3,598,722	3,598,722	3,822,611	3,860,838	3,976,663
290	Ex Gratia Pensions	-	-	-	-	-	-
295	Executive Packages	7,663,685	7,210,625	7,210,625	7,273,634	7,855,524	8,483,966
330	Group Life Insurance	2,343,445	2,350,580	2,350,580	3,034,008	3,489,109	4,082,260
380	Leave Pay	-	-	-	-	-	-
381	Long Service Bonus	-	-	-	-	-	-
405	Overtime Pay	5,958,611	7,056,256	7,056,256	6,538,176	6,930,467	7,484,904
420	Protective Clothing & Uniforms	735,258	740,458	740,458	856,090	991,353	1,060,745
430	Salaries	96,669,626	96,194,038	96,194,038	102,206,747	109,361,219	118,110,115
445	Standby	2,101,797	2,102,597	2,102,597	2,122,000	2,185,660	2,316,800
460	Temporary/Casual Staff	1,431,500	1,964,800	1,964,800	987,500	997,375	1,027,299
465	Unemployment Insurance Fund	864,140	867,543	867,543	920,467	986,739	1,065,680
480	Wages	-	-	-	-	-	-
485	Workman's Compensation	984,136	984,136	984,136	1,086,939	1,176,069	1,270,155
SUB-TOTAL		160,105,686	161,005,871	161,005,871	170,387,803	183,134,999	198,559,161
4 Less Employee Costs Capitalised							
530	Empl Cost to Capital-Salaries	(124,000)	(124,000)	(124,000)	(1,317,500)	(1,343,850)	(1,397,605)
535	Empl Cost to Capital-Wages	-	-	-	(391,750)	(404,286)	(416,415)
SUB-TOTAL		(124,000)	(124,000)	(124,000)	(1,709,250)	(1,748,136)	(1,814,020)
6 Less Employee Costs Alloc to Other Operating							
543	Empl Cost to OperDept-Salaries	-	-	-	-	-	-
545	Empl Cost to Oper Dept-Wages	-	-	-	-	-	-
SUB-TOTAL		-	-	-	-	-	-
8 Remuneration Of Councillors							
550	Councillors Remun-Allowances	6,218,206	6,086,006	6,086,006	6,985,047	7,543,851	8,222,798
551	Council Remun-Office Allow.	-	-	-	-	-	-
552	Council Remun-Pension Fund	-	-	-	-	-	-
553	Council Remun-Travel Allow.	50,000	50,000	50,000	50,000	50,000	50,000
554	Council Remun-Telephone Allow	322,780	322,780	322,780	368,540	416,450	466,424
556	Council Remun-Housing Allow	-	-	-	-	-	-
558	Council Remun-Med. Aid Fund	-	-	-	-	-	-
SUB-TOTAL		6,590,986	6,458,786	6,458,786	7,403,587	8,010,301	8,739,222
10 Bad Debts							
560	Bad Debt	-	-	-	-	-	-
SUB-TOTAL		-	-	-	-	-	-
12 Collection Costs							
570	Collection Costs	5,915,000	4,632,600	4,632,600	4,900,000	5,292,000	5,715,360
SUB-TOTAL		5,915,000	4,632,600	4,632,600	4,900,000	5,292,000	5,715,360
14 General Expenses - Bulk Purchases							
580	Bulk Purchases-Electricity	137,213,203	124,395,145	124,395,145	157,017,216	188,420,659	226,104,791
585	Bulk Purchases-Water	10,000,000	8,000,000	8,000,000	10,000,000	11,200,000	12,500,000
SUB-TOTAL		147,213,203	132,395,145	132,395,145	167,017,216	199,620,659	238,604,791

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year- end Actual			
16 General Expenses - Contracted Services							
610	Agency Paym-Account Print	410,000	500,000	500,000	525,000	567,000	623,700
611	AMR System	360,000	330,000	330,000	360,000	378,000	400,680
614	Agency Payments - Cash Transit	-	56,324	56,324	221,000	254,150	292,273
615	Agency Payments-Cleansing Serv	3,045,000	2,080,000	2,080,000	2,065,000	2,312,800	2,590,336
616	Agency Payment-Cut of Grass	5,112,000	4,125,041	4,125,041	4,550,000	5,005,000	5,505,500
617	Agency Payments - Desalination Plant	-	1,350,000	1,350,000	4,757,044	5,137,608	5,599,993
620	Agency Payments-Gardening Serv	220,000	120,000	120,000	220,000	247,720	274,969
622	Agency Paym-Info Sys Maint	300,000	259,591	259,591	265,000	280,900	300,563
625	Agency Paym-Internal Auditors	875,000	875,000	875,000	962,500	1,058,750	1,154,038
626	Agency Payments-life Saving	860,000	860,000	860,000	920,000	975,200	1,043,464
630	Agency Paym-Meter Readings	903,000	808,616	808,616	1,105,500	1,216,050	1,325,495
635	Agency Paym-Prepaid System	4,500,000	4,300,000	4,300,000	5,400,000	5,886,000	6,415,740
640	Agency Paym-Refuse Recycling	128,260	80,525	80,525	200,000	250,000	295,000
645	Agency Paym-Refuse Removal	2,875,000	2,934,899	2,934,899	3,500,000	3,850,000	4,196,500
649	Agency Payments - R.O. Plant	-	4,560,000	4,560,000	3,180,247	3,561,877	3,989,302
650	Agency Payments-Sanitation Ser	1,630,000	1,414,000	1,414,000	1,393,000	1,546,230	1,700,853
655	Agency Paym-Security Services	1,001,460	1,509,437	1,509,437	1,042,434	1,136,252	1,249,877
660	Agency Paym-Transport Co.	532,500	103,225	103,225	326,955	343,303	363,902
665	Agency Paym-Add.Valuations	450,000	281,646	281,646	400,000	440,000	488,400
666	Agency Payment-Washing Linen	50,000	50,000	50,000	40,000	45,200	50,624
690	Concessionary Fees- Indigent	185,000	161,921	161,921	185,000	197,950	215,766
SUB-TOTAL		23,437,220	26,760,225	26,760,225	31,618,680	34,689,990	38,076,975

<b>18 General Expenses - Grants &amp; Subsidies Pa</b>							
703	Grants & Donations-Public	650,000	535,840	535,840	550,000	594,000	641,520
710	Grant In Aid-Assessment Rates	-	-	-	-	-	-
713	Grant In Aid-Services	3,106,350	2,326,912	2,326,912	3,432,000	3,946,800	4,538,820
714	Sub: Benefit Discount Scheme	347,765	331,344	331,344	331,686	348,270	376,132
<b>SUB-TOTAL</b>		<b>4,104,115</b>	<b>3,194,096</b>	<b>3,194,096</b>	<b>4,313,686</b>	<b>4,889,070</b>	<b>5,556,472</b>

<b>20 General Expenses - Other</b>							
730	Advertising	796,902	1,273,076	1,273,076	1,084,100	1,159,987	1,264,391
735	Allowances-Adhoc Comm Members	105,000	105,000	105,000	90,000	99,000	104,940
736	Actuarial Loss	-	-	-	-	-	-
737	Animal Feed	60,000	40,408	40,408	50,000	53,000	57,240
740	Audit Fees-External Auditors	2,945,000	2,945,000	2,945,000	2,630,000	2,866,700	3,096,036
755	Bank Charges	1,930,000	2,064,851	2,064,851	2,165,000	2,381,500	2,595,835
760	Books,Magazines & Publications	4,250	9,000	9,000	13,550	14,770	15,951
764	Bursary Scheme	100,000	100,000	100,000	75,000	84,000	94,080
765	Bush & Weed Clearing	653,500	653,500	653,500	690,000	745,200	812,268
773	Community Meetings	-	-	-	-	-	-
780	Conferences & Seminars	116,000	88,289	88,289	88,500	92,925	98,503
785	Consultant Fees-Empl Equity	25,000	400	400	-	-	-
790	Consultant Fees-General	1,865,000	1,991,234	1,991,234	1,665,000	1,798,200	2,048,928
793	Consultant Fees-Marketing	-	-	-	-	-	-
795	Consultant Fees-Planning/IDP	-	-	-	-	-	-
796	Consultant Fees-Personnel	150,000	50,000	50,000	50,000	55,000	61,050
805	Contract Work-General	12,220,863	6,088,159	6,088,159	7,012,600	4,602,684	4,842,949
806	Contract Charges - Street Ligh	148,000	119,851	119,851	152,400	166,116	179,405
807	Contract Charges Electricity	676,800	790,745	790,745	858,330	909,830	1,000,813
808	Contract Charges Water	8,900	8,441	8,441	9,690	10,465	11,512
812	Disciplinary Costs	250,000	150,000	150,000	125,000	137,500	152,625
813	Desalination Plant-PetroSA	-	80,000,000	80,000,000	-	-	-
850	Home Ownership Education	50,000	83,293	83,293	50,000	55,000	60,500
860	Employee's Assistance Program	50,000	10,000	10,000	25,000	27,500	29,700
865	Entertainment-Public	29,000	39,867	39,867	58,500	65,520	71,417
868	Fire-Breaks	50,000	50,000	50,000	75,000	82,500	89,925
870	Fuel & Oil	5,388,625	4,325,018	4,325,018	5,331,800	5,864,980	6,392,829
875	Festive Lights	75,000	60,000	60,000	80,000	88,000	95,920
890	Higiène / Hygiene	-	57,000	57,000	73,413	80,753	87,215
895	Hire Charges-Television Sets	-	-	-	-	-	-
900	Hire Charges-Toilets	101,500	111,500	111,500	59,500	63,070	67,485
905	Hire Charges-Trip Meters	-	-	-	-	-	-
915	Hire Charges-Office Equipment	127,500	-	-	-	-	-
916	Housing:Top Structures	18,708,000	25,819,803	25,819,803	26,872,000	25,700,000	21,838,000
917	Impairment on Investments	-	-	-	-	-	-
918	Houses for resale-Written off	1,457,572	1,457,572	1,457,572	950,000	550,000	400,000
919	Housing:Top Str-Dalmeida/Kwa	2,800,000	1,500,000	1,500,000	1,200,000	-	-
920	Industrial/Tourism-Sect.21 Co.	2,664,524	2,664,524	2,664,524	2,814,322	3,011,325	3,237,174
921	IDP Planning	25,000	26,500	26,500	30,000	31,500	33,390
925	Insurance Expenses	2,343,470	1,941,328	1,941,328	2,523,132	2,699,749	2,894,132
926	Insurance Excess Payments	80,000	66,000	66,000	82,500	89,100	95,337
930	Interviewing	110,000	80,000	80,000	80,000	88,000	95,920



ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
935	Inventory Items	426,490	381,554	381,554	345,150	379,665	406,245
936	Land Surveying	-	-	-	-	-	-
940	Lease Charges-Equipment	-	-	-	-	-	-
942	Lease Charges-Vehicles	-	-	-	-	-	-
945	Legal Costs	1,200,000	1,200,000	1,200,000	1,700,000	1,870,000	2,038,300
950	Levy-Bargaining Council	38,720	38,720	38,720	42,939	46,378	49,621
955	Levy-D.M.:Establishment	-	-	-	-	-	-
960	Levy-D.M.:Services	-	-	-	-	-	-
970	Levy-Skills Development(SETA)	1,251,306	1,229,725	1,229,725	1,547,750	1,671,570	1,822,011
975	Levy-Water Research:DWAF	500,000	395,000	395,000	450,000	481,500	520,020
980	Levy-Water Catchmt Man:DWAF	500,000	500,000	500,000	500,000	540,000	588,600
983	Licence Fees-Radios	52,060	32,092	32,092	34,300	37,730	42,256
985	Licence Fees-Vehicles	310,586	316,276	316,276	372,775	402,597	438,832
986	Linen	45,000	33,079	33,079	-	-	-
990	Local Economic Development	900,000	850,000	850,000	750,000	810,000	874,800
995	Lost Books	24,550	4,804	4,804	9,250	10,360	11,500
1005	Materials & Stores-Chemicals	9,580,000	9,045,929	9,045,929	8,546,495	9,426,783	10,360,033
1010	Materials & Stores-General	1,527,750	1,615,108	1,615,108	1,619,280	1,781,209	1,953,993
1015	Materials & Stores-Med. Stock	-	-	-	-	-	-
1020	Mayor's Public Expenses	-	-	-	-	-	-
1025	Medical Tests	144,600	65,800	65,800	100,000	110,000	121,000
1035	Municipal Charges-Electricity	12,832,551	15,867,972	15,867,972	19,464,211	23,357,056	28,262,036
1040	Municipal Charges-Rates	188,860	345,317	345,317	372,941	410,235	451,259
1045	Municipal Charges-Refuse	144,743	211,857	211,857	243,628	265,554	286,798
1050	Municipal Charges-Sewerage	318,877	295,718	295,718	319,371	344,921	379,414
1055	Municipal Charges-Water	809,458	402,155	402,155	199,348	229,252	263,640
1065	Newsletters	13,432	22,254	22,254	15,616	17,022	18,385
1075	Pew feeding Scheme-Kwasiorokor	-	-	-	-	-	-
1080	Pauper Burials	17,500	7,500	7,500	15,000	16,500	17,985
1081	Personnel Job Evaluations	100,000	70,000	70,000	100,000	106,000	113,420
1085	Pest Control	255,600	229,409	229,409	218,834	234,152	255,226
1090	Photographs-Civic	5,000	6,000	6,000	10,000	11,000	12,320
1095	Postage, Rev Stamps & PO Box	1,590,290	1,482,255	1,482,255	1,711,010	1,865,001	1,995,550
1100	Printing & Stationary	1,083,560	1,264,156	1,264,156	1,297,300	1,401,084	1,527,178
1101	Projects	230,000	230,000	230,000	170,000	187,000	205,700
1105	Public Functions	200,000	168,000	168,000	200,000	220,000	239,800
1110	Publicity	610,000	609,488	609,488	512,000	563,200	630,784
1115	Railage	-	-	-	-	-	-
1125	Refreshments	155,000	164,330	164,330	170,000	190,400	205,632
1126	Refund Deposits	5,000	1,200	1,200	5,000	5,000	5,000
1130	Refuse Bags	1,103,000	1,092,007	1,092,007	1,207,000	1,303,560	1,420,880
1135	Refuse Bins	15,000	10,000	10,000	15,000	16,500	17,986
1140	Refuse Tip Site-External	2,300,000	2,000,000	2,000,000	2,500,000	2,725,000	2,915,750
1150	Relocation Expenses	125,000	110,000	110,000	100,000	109,000	118,810
1151	Relief/Charitable Expenses	85,000	118,164	118,164	95,000	106,400	119,168
1155	Rent-Accommodation	995,636	1,243,021	1,243,021	1,430,328	1,516,148	1,622,280
1156	Rental Land:Yacht Club	91,047	-	-	-	-	-
1166	Sanitec Toilets	100,000	100,000	100,000	80,000	86,400	94,176
1180	Servitudes	5,000	9,410	9,410	5,000	5,250	5,565
1200	Sport Centre Assistance	-	-	-	-	-	-
1210	Street Lighting	1,500,000	1,501,208	1,501,208	1,500,000	1,605,000	1,685,250
1211	Study Loans	-	-	-	-	-	-
1215	Subscriptions	916,883	937,534	937,534	1,018,207	1,099,663	1,176,640
1220	Sundries	195,000	96,017	96,017	160,000	168,600	177,968
1225	Survey Costs	40,000	90,000	90,000	70,000	77,000	86,240
1230	Telephones & Communication	2,279,317	1,689,439	1,689,439	1,895,645	2,066,254	2,314,205
1235	Testing of Samples-Food	-	-	-	-	-	-
1240	Testing of Samples-Water	21,600	20,500	20,500	55,100	60,610	65,458
1245	Training	905,300	905,300	905,300	908,500	999,350	1,119,272
1250	Transfer Fees-HSG Subs Scheme	43,353	120,000	120,000	72,800	78,624	84,128
1255	Transfer Return Fee-Deeds Offi	95,000	75,600	75,600	105,000	112,350	121,338
1260	Translation Services	210,000	198,000	198,000	200,000	218,000	237,620
1261	Transp-Comm Members to Meeting	30,000	23,520	23,520	25,000	27,500	30,800
1265	Transport-Labourers	-	-	-	-	-	-
1270	Travelling & Subsistence	389,203	447,565	447,565	367,850	400,221	436,242
1271	Tow-In of Vehicles	50,000	33,527	33,527	55,000	59,950	64,147
1272	Unamortised Discount on loans	18,020	18,020	18,020	9,609	10,186	10,695
1273	Union Representatives	175,000	137,500	137,500	188,990	211,669	230,719
1274	Unamortised Discount on Stock loans	-	-	-	-	-	-
1281	Ward Committees	200,000	74,000	74,000	125,000	200,000	200,000
1293	Youth Development	150,000	150,000	150,000	150,000	165,000	176,550
1295	Wreaths and Bouquets	13,000	13,000	13,000	13,000	13,650	14,606
1300	Water rural Areas	450,000	300,000	300,000	400,000	427,600	466,084
<b>SUB-TOTAL</b>		<b>103,677,698</b>	<b>183,369,389</b>	<b>183,369,389</b>	<b>110,858,564</b>	<b>114,534,528</b>	<b>121,035,385</b>

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
22 Repairs & Maintenance - Municipal Assets							
1412	Beaches-Embarkments/Amenities	230,000	250,000	250,000	250,000	275,000	305,250
1414	Boreholes	-	-	-	20,000	22,000	24,640
1415	Buildings	4,122,830	3,524,136	3,524,136	3,190,133	3,413,444	3,652,389
1425	Computer Equipment & Software	1,383,100	1,426,445	1,426,445	1,854,650	1,984,476	2,163,080
1430	Cleaning/Clearing Infrastruc.	1,438,000	1,397,732	1,397,732	1,450,500	1,624,560	1,835,753
1431	Deforestation	-	1,250,000	1,250,000	-	-	-
1432	Disaster Management	300,000	-	-	75,000	84,000	94,080
1435	Dumping Site	805,000	865,000	865,000	650,000	708,500	765,180
1440	Electricity Infrastructure	2,232,000	7,314,529	7,314,529	2,350,000	2,526,250	2,703,088
1441	Electricity Efficiency	-	-	-	4,000,000	-	-
1445	Electricity Street Lighting	700,000	487,500	487,500	500,000	550,000	599,500
1450	Fencing	465,820	482,320	482,320	570,450	593,268	628,863
1455	Fire Hydrants & Markers	20,000	15,000	15,000	12,000	13,080	14,126
1460	Fire Extinguish-Test & Refill	115,000	54,503	54,503	81,000	89,100	98,010
1465	Grounds and Gardens	537,100	396,253	396,253	487,000	525,960	557,518
1470	Hiking Trails	40,000	15,000	15,000	20,000	21,800	22,890
1475	Lighting Public Areas	7,500	-	-	-	-	-
1480	Mapping & Survey	40,000	20,000	20,000	20,000	21,600	23,112
1485	Meters	550,000	600,000	600,000	610,000	652,700	704,916
1490	Office Furniture & Equipment	87,800	67,756	67,756	70,025	77,728	87,053
1500	Plant,Mach,Tools & Equipment	1,592,050	1,425,587	1,425,587	1,490,725	1,559,298	1,637,267
1505	Playground Apparatus	73,500	71,928	71,928	63,800	70,180	76,496
1507	Purification Works	10,000	10,000	10,000	8,000	8,800	9,680
1508	Pump Electrical	580,500	460,890	460,890	560,500	594,130	635,721
1510	Pumps Mechanical	1,014,500	773,104	773,104	902,500	965,675	1,023,618
1512	Pumpstation	350,000	316,129	316,129	340,000	363,800	385,628
1515	Pipeline Mains	590,000	640,000	640,000	750,000	787,500	850,500
1520	Railway Lines	-	-	-	-	-	-
1525	Refuse Bins	14,400	-	-	10,000	11,000	11,990
1535	Sewerage Infrastructure	550,000	550,000	550,000	550,000	594,000	635,580
1540	Streets-General Repairs	3,084,850	2,538,450	2,538,450	3,047,500	3,199,876	3,359,873
1545	Rehabilitation River Mouths	-	1,000,000	1,000,000	-	-	-
1550	Streets-Resealing	8,262,500	5,516,250	5,516,250	9,062,500	9,990,000	10,889,100
1555	Stormwater Drains	1,400,000	700,000	700,000	550,000	605,000	659,450
1560	Telecommunication	39,800	18,592	18,592	33,800	35,828	38,335
1565	Telemetric System	243,000	256,500	256,500	248,000	257,920	275,974
1570	Traffic Lights & Signs	550,000	368,022	368,022	420,000	449,400	476,364
1575	Signs & Signboards	150,500	156,141	156,141	169,500	184,755	199,536
1580	Vehicles	2,325,588	2,630,884	2,630,884	2,623,700	2,833,596	3,031,949
1585	Water Infrastructure	1,060,000	1,218,606	1,218,606	1,300,000	1,404,000	1,521,936
1586	Water Leakages	300,000	189,089	189,089	250,000	265,000	283,550
1590	Water Reservoirs & Dams	600,000	584,708	584,708	650,000	702,000	765,180
1599	Flood Damage:S/Water-Fill Dong	-	-	-	350,000	367,500	389,550
1600	Flood Damage:Water Infrastruc	-	-	-	-	-	-
SUB-TOTAL		35,865,338	37,591,054	37,591,054	39,591,283	38,432,724	41,436,725
24 Depreciation - Property, Plant & Equip							
1655	Deprec.-Infrastructure Assets	-	-	-	-	-	-
1660	Deprec.-Community Assets	-	-	-	-	-	-
1670	Deprec.-Other Assets	32,371,896	30,283,891	30,283,891	37,192,699	41,915,131	43,255,755
1675	Deprec-Specialised Vehicles	-	-	-	-	-	-
1686	Depreciation Offset-CRR(Cr)	-	-	-	-	-	-
1687	Depreciation Offset-GGR(Cr)	-	-	-	-	-	-
1688	Depreciation Offset-DON.(Cr)	-	-	-	-	-	-
SUB-TOTAL		32,371,896	30,283,891	30,283,891	37,192,699	41,915,131	43,255,755
26 Depreciation - Leased Property Plant & E							
1705	Depreciation - Leased Infrastr	-	-	-	-	-	-
1730	Depreciation - Leased Other As	1,279,671	1,328,676	1,328,676	1,015,549	825,265	809,516
SUB-TOTAL		1,279,671	1,328,676	1,328,676	1,015,549	825,265	809,516
27 Amortisation - Intangible Assets							
1750	Amortisation - Intangible Asse	123,550	123,551	123,551	89,583	2,578	2,578
1755	Amortisation Offset-CRR(Cr)	-	-	-	-	-	-
1760	Amortisation Offset-GGR(Cr)	-	-	-	-	-	-
1765	Amortisation Offset-DON.(Cr)	-	-	-	-	-	-
SUB-TOTAL		123,550	123,551	123,551	89,583	2,578	2,578
28 Interest Expense - External Borrowings							
1775	Interest-External Borrowings	528,292	536,572	536,572	3,276,336	3,120,545	3,125,275
1780	Interest on Internal Funds	14,215	314,215	314,215	309,958	325,456	344,983
SUB-TOTAL		542,507	850,787	850,787	3,586,294	3,446,001	3,470,258

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year- end Actual			
30 Disposal Of Property, Plant & Equipment							
1810	Loss on Disposal of P,P&E	50,000	58,000	58,000	50,000	50,000	50,000
1815	Loss on Disposal of Land	-	50,000	50,000	50,000	50,000	50,000
SUB-TOTAL		50,000	108,000	108,000	100,000	100,000	100,000

<b>32 Contributions From Operating To Capital</b>							
1820	Fixed Assets (New Connections)	-	-	-	-	-	-
1830	Loose Assets (Plant, Mach&Equip)	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>34 Contributions To / From Provisions &amp; Res</b>							
1854	Alien Vegetation Provision	-	-	-	-	-	-
1855	Capital Replacement Reserve	3,300,000	3,300,000	3,300,000	-	-	-
1857	Bad Debt Provision	13,795,152	10,008,079	10,008,079	12,860,135	14,146,149	15,702,225
1859	External Financing Fund	-	-	-	-	-	-
1862	Illegal Dumping Provision	-	-	-	-	-	-
1863	Insurance Reserve	-	-	-	-	-	-
1864	Landfill Tip Sites	-	-	-	-	-	-
1865	Leave Gratuity Provision	1,833,293	1,833,293	1,833,293	2,715,630	2,960,037	3,196,840
1867	Long Service Bonus Provision	1,407,669	1,406,119	1,406,119	1,521,780	1,643,522	1,786,508
1870	Post Retirement Benefits	10,767,204	10,386,847	10,386,847	11,429,523	12,458,180	13,629,249
1875	Tourism Reserve	-	-	-	-	-	-
1880	Valuation Reserve Fund	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>31,103,318</b>	<b>26,934,338</b>	<b>26,934,338</b>	<b>28,527,068</b>	<b>31,207,888</b>	<b>34,314,822</b>

<b>44 Interdepartmental Charges And Recoveries</b>							
1940	Admin-Internal Charges (DR)	21,478,589	21,478,589	21,478,589	21,660,572	24,043,232	26,447,560
1945	Admin-Internal Recovery (CR)	(21,478,589)	(21,478,589)	(21,478,589)	(21,660,572)	(24,043,234)	(26,447,556)
1950	Stores-Handling Charges	-	-	-	-	-	-
1955	Veh & Equip-Intnl Recovery (CR)	-	(264)	(264)	-	-	-
1956	Recoverable Expenditure (Cr)	(53,353)	(331,470)	(331,470)	(351,400)	(333,830)	(310,463)
<b>SUB-TOTAL</b>		<b>(53,353)</b>	<b>(331,734)</b>	<b>(331,734)</b>	<b>(351,400)</b>	<b>(333,832)</b>	<b>(310,459)</b>

<b>48 Other Adjustments &amp; Transfers [Appropriations]</b>							
1973	Deprec Res X AFR-Offset Depr	-	-	-	-	-	-
1975	Deprec Res X GGR-Offset Depr	-	-	-	-	-	-
1977	Deprec Res X Don-Offset Depr	-	-	-	-	-	-
1981	Interest on Invest-Trans to CR	-	-	-	-	-	-
1983	Interest on Invest-Trans to EF	-	-	-	-	-	-
1985	Trfr Cap Grants-District Munic	-	-	-	-	-	-
1986	Trfr Cap Grants-Provincial	-	-	-	-	-	-
1987	Trfr Cap Grants-State	-	-	-	-	-	-
1988	Trfr Cap Grants-Public	-	-	-	-	-	-
1990	Trfr Cap Receipts-Pub(Connect)	-	-	-	-	-	-
1995	Trfr-Equitable Share	27,080,216	27,080,216	27,080,216	30,970,034	34,148,980	37,192,125
1996	Trfr-Transformation Funds	-	-	-	-	-	-
1997	Trfr. Ext Serv. Contr. to CRR	5,000,000	4,612,875	4,612,875	4,000,000	4,000,000	4,000,000
1998	Trfr. Land Sales To CRR	12,567,000	1,155,977	1,155,977	10,000,000	10,000,000	10,000,000
1999	Trfr. Parking Bay-Buy outs CRR	75,000	75,000	75,000	-	-	-
<b>SUB-TOTAL</b>		<b>44,722,216</b>	<b>32,924,068</b>	<b>32,924,068</b>	<b>44,970,034</b>	<b>48,148,980</b>	<b>51,192,125</b>

<b>56 Property Rates</b>							
2003	Assessm. Rates-Accom. Est.	-	(1,571,054)	(1,571,054)	(1,633,897)	(1,797,286)	(1,977,014)
2005	Assessm. Rates-Agricultural	(673,245)	(689,221)	(689,221)	(785,616)	(864,177)	(950,594)
2006	Assessm. Rates-Agricultural Business	-	(178,248)	(178,248)	(185,873)	(204,460)	(224,906)
2010	Assessm. Rates-Comm/Indus.	(13,199,401)	(12,436,101)	(12,436,101)	(12,962,060)	(14,258,266)	(15,684,092)
2015	Assessm. Rates-Municipal	(643,553)	-	-	-	-	-
2020	Assessm. Rates-Residential	(52,724,926)	(51,839,461)	(51,839,461)	(58,600,698)	(64,460,767)	(70,906,843)
2025	Assessm Rates-State	-	(140,000)	(140,000)	(150,000)	(165,000)	(181,500)
2027	Assessm. Rates-Vleesbaai	-	(312,230)	(312,230)	(354,618)	(390,079)	(429,086)
2030	Building Clause	-	-	-	-	-	-
2035	Prop. Rates-Lease Agreements	(2,000)	(1,457)	(1,457)	(1,500)	(1,500)	(1,500)
<b>SUB-TOTAL</b>		<b>(67,243,125)</b>	<b>(67,167,772)</b>	<b>(67,167,772)</b>	<b>(74,674,262)</b>	<b>(82,141,535)</b>	<b>(90,355,535)</b>

<b>58 Penalties Imposed And Collection Charges</b>							
2045	Interest on Arrear Rates	(1,650,000)	(2,125,335)	(2,125,335)	(2,100,000)	(2,205,000)	(2,359,350)
<b>SUB-TOTAL</b>		<b>(1,650,000)</b>	<b>(2,125,335)</b>	<b>(2,125,335)</b>	<b>(2,100,000)</b>	<b>(2,205,000)</b>	<b>(2,359,350)</b>

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
62 Service Charges							
2060	Blocked Drains	(35,000)	(21,263)	(21,263)	(28,000)	(30,800)	(34,188)
2065	Building Plan Fees	(2,400,000)	(2,818,732)	(2,818,732)	(3,000,000)	(3,240,000)	(3,531,600)
2070	Call-Out Fees	(3,000)	(1,062)	(1,062)	(1,500)	(1,830)	(2,086)
2075	Camping Fees	(5,200,000)	(5,000,000)	(5,000,000)	(5,200,000)	(5,720,000)	(6,349,200)
2080	Cemetery Fee-Burials	(134,500)	(186,595)	(186,595)	(188,100)	(212,553)	(229,558)
2085	Cemetery Fee-Erect Tombstone	(8,000)	(3,042)	(3,042)	(5,000)	(6,050)	(6,897)
2090	Circuit Breaker-Repl/Upgrade	(2,000)	-	-	(1,000)	(1,060)	(1,145)
2094	Clearance Application	(20,000)	(22,056)	(22,056)	(25,000)	(26,500)	(28,620)
2095	Connection Fee-New Property	(2,800,000)	(3,451,229)	(3,451,229)	(3,790,000)	(3,979,500)	(4,218,270)
2100	Connection Fee-Recon Exist Pro	(7,500)	(13,570)	(13,570)	(15,000)	(15,900)	(16,377)
2105	Temporary Connections	(10,000)	(10,000)	(10,000)	-	-	-
2110	Dumping of Building Rubble	(20,000)	(35,580)	(35,580)	(35,000)	(38,500)	(41,965)
2115	Electr. Availability Fees	(5,814,716)	(5,626,062)	(5,626,062)	(6,392,148)	(7,159,205)	(8,018,310)
2120	Electr. Sales- Credit meters	(149,189,412)	(141,197,682)	(141,197,682)	(173,016,969)	(198,969,514)	(228,814,941)
2125	Electr. Sales-Prepaid Meters	(68,178,117)	(64,000,000)	(64,000,000)	(77,000,000)	(88,550,000)	(101,832,500)
2130	Fire Brigade Fees	(70,000)	(62,620)	(62,620)	(100,000)	(102,000)	(106,080)
2135	Gate Fees	(65,000)	(97,000)	(97,000)	(45,000)	(48,150)	(52,002)
2140	Hiring of Plants	(1,000)	(823)	(823)	-	-	-
2145	Inspection Fees	(9,500)	(2,014)	(2,014)	(9,600)	(10,944)	(12,476)
2150	Land Usage Fee-Granny Flats	(254,500)	(209,568)	(209,568)	(100,000)	(110,000)	(118,800)
2155	Land Usage Fee-Lift Restrict	(7,500)	(10,105)	(10,105)	(7,500)	(8,625)	(9,833)
2160	Land Usage Fee-Rez/Dep/Cons	(106,000)	(150,232)	(150,232)	(125,000)	(132,500)	(143,100)
2165	Land Usage Fee-Subdivisions	(13,265)	(9,094)	(9,094)	(12,000)	(12,480)	(13,229)
2170	Land Usage Fee-Zoning Cert.	(25,000)	(9,894)	(9,894)	(11,000)	(11,880)	(12,949)
2175	Lost Books-Library	(6,850)	(7,536)	(7,536)	(14,250)	(15,248)	(16,619)
2180	Membership Fees	-	-	-	-	-	-
2190	Photostatic Copies	(26,750)	(35,519)	(35,519)	(25,200)	(27,468)	(29,115)
2195	Pound Fees	(50,000)	(29,197)	(29,197)	(45,000)	(49,950)	(55,944)
2200	Refuse Removal Charges	(31,478,149)	(31,576,375)	(31,576,375)	(35,294,396)	(38,823,835)	(42,706,219)
2201	Refill Charges - Fire Exting.	(1,000)	(150)	(150)	-	-	-
2205	Special Removals	(9,000)	(9,000)	(9,000)	(9,900)	(11,880)	(13,900)
2210	Roads & Pavement-Access/Repair	(20,000)	(20,000)	(20,000)	(5,000)	(5,400)	(5,886)
2215	Sale of Magazines	(50)	(50)	(50)	-	-	-
2220	Sale of Prepaid Cards	-	-	-	-	-	-
2225	Sale of Prints	(25,000)	(30,527)	(30,527)	(32,500)	(37,050)	(40,755)
2230	Sale of Refuse Bags	-	-	-	-	-	-
2235	Sale of Refuse Bins	(1,500)	(1,000)	(1,000)	(1,650)	(1,997)	(2,277)
2238	sales-tender documents	(130,000)	(81,372)	(81,372)	(100,000)	(106,000)	(109,180)
2240	Sale of Trees and Ferns	(50,000)	(463,069)	(463,069)	(30,000)	(33,000)	(36,960)
2250	Search Fees	(500)	(500)	(500)	(500)	(560)	(622)
2255	Sewerage Availability Fees	(3,782,276)	(3,512,012)	(3,512,012)	(3,885,168)	(4,157,129)	(4,489,969)
2260	Sewerage Charges	(46,423,248)	(47,586,850)	(47,586,850)	(50,965,719)	(54,533,319)	(58,895,984)
2265	Sewerage Charges-Industrial	(825,000)	(718,778)	(718,778)	(830,000)	(913,000)	(1,022,560)
2270	Testing of Meters	(5,500)	(17,940)	(17,940)	(13,000)	(14,040)	(15,163)
2275	Traffic Escorting Fees	(12,890)	(32,214)	(32,214)	(30,000)	(33,600)	(38,304)
2280	Valuation Certificates	(55,000)	(71,876)	(71,876)	(80,000)	(88,000)	(96,800)
2283	Water Availability Fees	(5,166,074)	(4,952,550)	(4,952,550)	(5,680,270)	(6,248,297)	(6,873,126)
2290	Water Charges	(83,609,257)	(58,754,206)	(58,754,206)	(69,910,451)	(79,000,000)	(92,100,000)
2291	Water Charges:Purified Water	-	-	-	-	-	-
SUB-TOTAL		(406,052,054)	(370,838,944)	(370,838,944)	(436,060,821)	(492,487,764)	(560,143,509)

**66 Rent of Facilities and Equipment**

2305	Advertisements	(23,032)	(25,220)	(25,220)	(26,000)	(27,820)	(30,046)
2330	Encroachment Fees	(2,000)	(2,025)	(2,025)	(2,800)	(3,220)	(3,735)
2350	Hire-Comm Hall:Boggoms Bay	(1,600)	(1,389)	(1,389)	(1,750)	(1,960)	(2,215)
2355	Hire-Comm Hall:D'Almeida	(30,000)	(38,338)	(38,338)	(40,000)	(46,000)	(51,520)
2360	Hire-Comm Hall:Dana Bay	(13,000)	(4,000)	(4,000)	(13,000)	(14,560)	(15,725)
2361	Hire-Comm Hall:Friemersheim	(1,600)	(2,500)	(2,500)	(2,000)	(2,000)	(2,080)
2365	Hire-Comm Hall:Great Brak	(20,000)	(5,000)	(5,000)	(15,000)	(16,950)	(19,493)
2370	Hire-Comm Hall:Joe Slovo	(5,000)	(3,984)	(3,984)	(5,000)	(5,600)	(6,440)
2375	Hire-Comm Hall:Kwanonqaba	(15,000)	(14,000)	(14,000)	(15,000)	(17,700)	(20,532)
2380	Hire-Comm Hall:Little Brak	(8,000)	(8,362)	(8,362)	(10,000)	(11,000)	(12,320)
2385	Hire-Comm Hall:Rheebok	(17,000)	(8,365)	(8,365)	(12,000)	(13,440)	(14,918)
2386	Hire-Comm Hall:Sonskynvallei	(1,600)	(4,000)	(4,000)	(2,000)	(2,280)	(2,554)
2387	Hire-Indoor Sport Centre	(15,000)	(16,710)	(16,710)	(15,000)	(17,100)	(19,665)
2390	Hire-Library Hall	(48,000)	(24,060)	(24,060)	(27,000)	(29,700)	(33,858)
2395	Hire-Sportgrounds	(30,000)	(16,379)	(16,379)	(30,000)	(33,000)	(36,960)
2400	Hire-Town Hall	(100,000)	(92,652)	(92,652)	(100,000)	(110,000)	(121,000)
2405	Hire-Van Riebeeck Stadium Fac.	(15,000)	(22,094)	(22,094)	(17,000)	(19,040)	(20,944)
2410	Hire-Voortrekker Hall	(1,000)	(46)	(46)	(1,000)	(1,000)	(1,000)
2430	Rental-Bakke Restaurant	-	-	-	-	-	-
2435	Rental-Chalets	(2,500,000)	(2,200,000)	(2,200,000)	(2,500,000)	(2,825,000)	(3,164,000)
2436	Rental-Carport Levis	(17,000)	(19,044)	(19,044)	(17,000)	(18,700)	(21,131)
2440	Rental-Comm Grounds & Other	(600,000)	(691,711)	(691,711)	(600,000)	(654,000)	(752,100)

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
2441	Rental Compong	(26,462)	(25,627)	(25,627)	(25,627)	(28,190)	(30,445)
2450	Rental-Hawkers Sites	(150,000)	(124,169)	(124,169)	(150,000)	(162,000)	(176,580)
2455	Rental-Houses	(81,706)	(54,851)	(54,851)	(47,355)	(52,091)	(56,779)
2460	Rental-Information Centre	-	-	-	-	-	-
2465	Rental-Letting Housing	-	-	-	-	-	-
2470	Rental-Poort Restaurant	(13,000)	(13,500)	(13,500)	(14,000)	(15,120)	(16,481)
2475	Rental-Putt-Putt Course	(11,000)	(11,000)	(11,000)	(12,000)	(12,000)	(12,000)
2480	Rental-D. Council Buildings	-	(10)	(10)	-	-	-
2481	Rental - Refuse Bins	(205,700)	(205,700)	(205,700)	(226,270)	(248,897)	(260,000)
2484	Rental-Usage of Sidewalks	(116,000)	(7,000)	(7,000)	(15,000)	(15,750)	(16,853)
2485	Rental-Sundries	(239,120)	(315,361)	(315,361)	(305,000)	(341,600)	(389,424)
2486	Rental-Yacht Club	(91,047)	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(4,397,867)</b>	<b>(3,957,097)</b>	<b>(3,957,097)</b>	<b>(4,246,802)</b>	<b>(4,745,718)</b>	<b>(5,310,798)</b>

**68 Interest Earned - External Investments**

2500	Int. on Investm-Current Acc.	(1,180,000)	(1,775,860)	(1,775,860)	(1,200,000)	(1,140,000)	(1,048,800)
2505	Int. on Investm-Short Term	(13,201,310)	(9,479,452)	(9,479,452)	(9,428,600)	(8,862,884)	(8,419,740)
2510	Int. on Investm-Long Term	-	-	-	-	-	-
2514	Interest : Car loans	-	-	-	-	-	-
2515	Int. on Investm-Collateral sec	-	-	-	-	-	-
2516	Interest: Land Sales	-	-	-	-	-	-
2517	Interest on Unamortised Discount	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(14,381,310)</b>	<b>(11,255,312)</b>	<b>(11,255,312)</b>	<b>(10,628,600)</b>	<b>(10,002,884)</b>	<b>(9,468,540)</b>

**72 Interest Earned - Outstanding Debtors**

2525	Int on Outstanding Debtors	(3,714)	(12,055)	(12,055)	(15,000)	(16,200)	(15,714)
2526	Int on Outst. Housing Debtors	(289,115)	(329,188)	(329,188)	(330,050)	(359,755)	(345,365)
<b>SUB-TOTAL</b>		<b>(292,829)</b>	<b>(341,243)</b>	<b>(341,243)</b>	<b>(345,050)</b>	<b>(375,955)</b>	<b>(361,079)</b>

**76 Fines**

2545	Library Penalties	(58,600)	(54,361)	(54,361)	(47,750)	(51,093)	(55,180)
2553	Town Plan-Contravention Levy	(5,000)	(11,600)	(11,600)	(10,000)	(12,300)	(14,145)
2555	Traffic Fines	(5,000,000)	(3,037,240)	(3,037,240)	(5,200,000)	(5,720,000)	(6,406,400)
<b>SUB-TOTAL</b>		<b>(5,063,600)</b>	<b>(3,103,201)</b>	<b>(3,103,201)</b>	<b>(5,257,750)</b>	<b>(5,783,393)</b>	<b>(6,475,725)</b>

**78 Licenses and Permits**

2565	Business Licence Fees	(1,500)	(3,406)	(3,406)	(1,650)	(2,013)	(2,375)
2570	Card Licences-Applications	(380,000)	(350,337)	(350,337)	(380,000)	(418,000)	(451,440)
2575	Drivers Licence-Learner Fees	(155,000)	(154,750)	(154,750)	(160,000)	(174,400)	(190,096)
2580	Drivers Licence-Test Fees	(600,000)	(664,594)	(664,594)	(650,000)	(702,000)	(765,180)
2585	Licence Fees-Boats	(4,000)	(5,000)	(5,000)	(1,000)	(1,040)	(1,082)
2590	Motor Vehicle Registrations	(3,100,000)	(3,215,660)	(3,215,660)	(3,500,000)	(3,850,000)	(4,350,500)
2595	Public Driving Permits	(85,000)	(82,267)	(82,267)	(85,000)	(91,800)	(98,226)
2600	Roadworthy Certificates	-	-	-	-	-	-
2605	Parking Meters	-	(1,100)	(1,100)	-	-	-
2610	Parking Bays-Buy Out	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(4,325,500)</b>	<b>(4,477,114)</b>	<b>(4,477,114)</b>	<b>(4,777,650)</b>	<b>(5,239,253)</b>	<b>(5,858,899)</b>

**82 Grants & Subsidies Received - Operating**

2625	Subsidy-District Municipality	-	-	-	-	-	-
2626	Subsidy-Housing Trust Fund	(2,800,000)	(1,550,000)	(1,550,000)	(1,300,000)	-	-
2629	Subsidy-Province	(926,000)	(747,468)	(747,468)	(891,000)	(135,000)	(140,000)
2630	Subsidy-Province:Main Roads	(50,000)	(1,853,000)	(1,853,000)	(50,000)	-	-
2631	Subsidy:Province:Newsletters	(16,158)	(21,990)	(21,990)	(15,616)	(17,022)	(19,064)
2632	Subsidy:Prov.-Top Structures	(18,708,000)	(25,819,803)	(25,819,803)	(26,872,000)	(25,700,000)	(21,838,000)
2633	Subsidy Equitable Share	(34,232,000)	(34,232,000)	(34,232,000)	(36,942,000)	(40,915,100)	(43,589,000)
2635	Subs-State:Hlth Com.Serv.Clin.	-	-	-	-	-	-
2638	Subs-State:H/Primary Health	-	-	-	-	-	-
2639	Subs-State:H/Pew Feeding Sch.	-	-	-	-	-	-
2640	Subsidy-Other	(985,000)	(3,755,582)	(3,755,582)	(1,295,000)	(1,094,500)	(1,225,840)
2641	Subsidy-State:Transformation	-	-	-	-	-	-
2642	Subsidy-State:DORA	(1,750,000)	(6,901,988)	(6,901,988)	(5,965,000)	(2,050,000)	(2,150,000)
2645	Subsidy-State:H/Comprehensv	-	-	-	-	-	-
2650	Subsidy-State:H/Environment	-	-	-	-	-	-
<b>SUB-TOTAL</b>		<b>(59,467,158)</b>	<b>(74,881,831)</b>	<b>(74,881,831)</b>	<b>(73,330,616)</b>	<b>(69,911,622)</b>	<b>(68,961,904)</b>

**83 Grants & Subsidies Received - Capital**

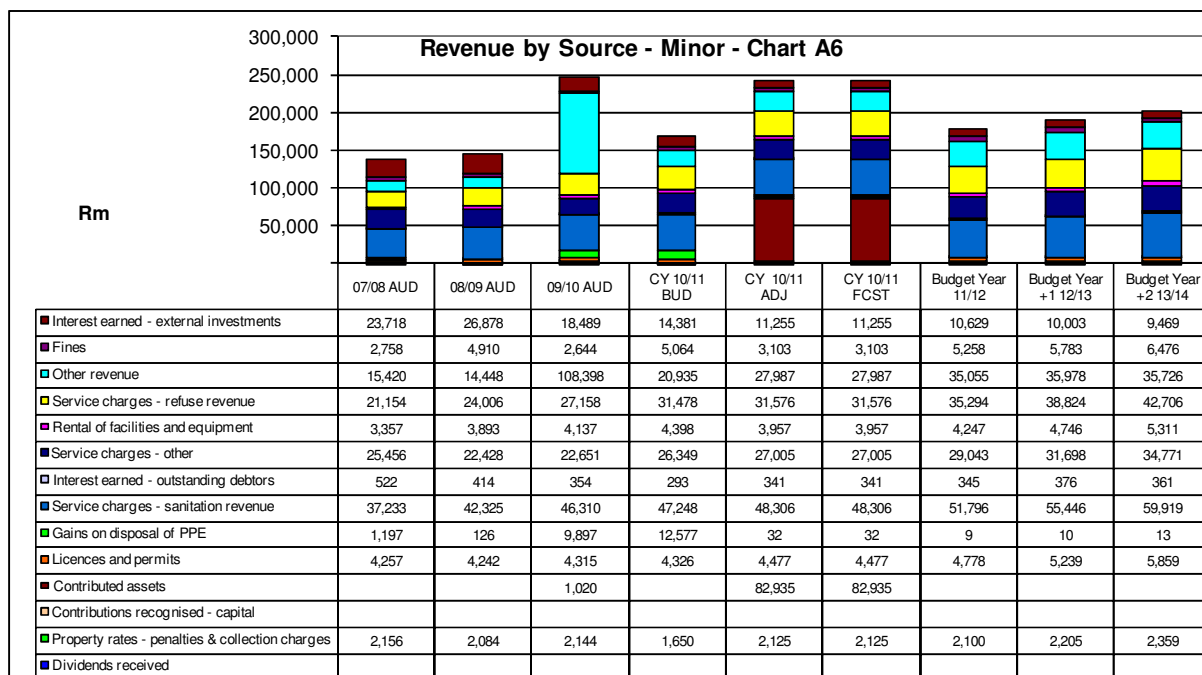
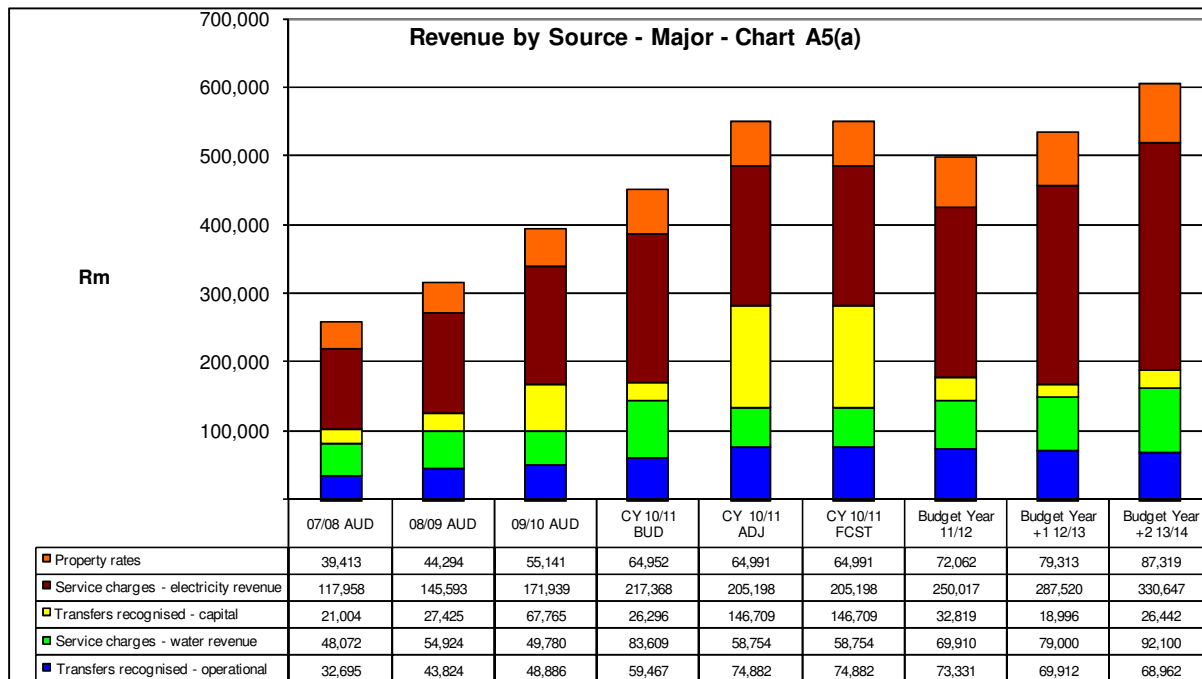
2655	Capital Grants-District Mun	-	(1,861,936)	(1,861,936)	-	-	-
2660	Capital Grants-Provincial	-	(9,734,090)	(9,734,090)	(15,686,891)	(800,000)	(800,000)
2665	Capital Grants-State	(26,296,000)	(121,112,990)	(121,112,990)	(17,132,000)	(18,196,000)	(25,642,000)
2670	Capital Grants-Other	-	(14,000,000)	(14,000,000)	-	-	-
<b>SUB-TOTAL</b>		<b>(26,296,000)</b>	<b>(146,709,016)</b>	<b>(146,709,016)</b>	<b>(32,818,891)</b>	<b>(18,996,000)</b>	<b>(26,442,000)</b>

ITEM CODE	ITEM	2010-11			2011-2012 BUDGET	2012-2013 BUDGET	2013-2014 BUDGET
		BUDGET	ADJUSTED BUDGET	PROJECTED Year-end Actual			
84 Other Revenue							
2680	Access Provision - Bad debts	(220,000)	(220,000)	(220,000)	-	-	-
2681	Access Provision	-	-	-	-	-	-
2682	Actuarial Gains	-	-	-	-	-	-
2685	Admin Costs Recovered	(80,600)	(88,707)	(88,707)	(75,000)	(82,500)	(92,400)
2686	Contr from Surplus (Non-cash)	-	-	-	-	-	-
2687	Collection Costs Recovered	(2,200,000)	(3,300,000)	(3,300,000)	(3,500,000)	(3,850,000)	(4,273,500)
2688	Contr. from Transfer Even(HDF)	(6,039,108)	(5,498,453)	(5,498,453)	(6,669,082)	(6,902,423)	(7,381,128)
2689	Cont. from Ext. Serv (CRR)	(5,000,000)	(4,612,875)	(4,612,875)	(4,000,000)	(4,000,000)	(4,000,000)
2691	Contr. from Land Sales (CRR)	-	(1,155,977)	(1,155,977)	(10,000,000)	(10,000,000)	(10,000,000)
2692	Contribution From LGW SETA	-	-	-	-	-	-
2693	Contr from Surplus (cash)	(6,200,000)	(9,700,000)	(9,700,000)	(9,300,000)	(9,500,000)	(8,200,000)
2694	Contr. From Reserve Fund	-	-	-	-	-	-
2695	Commission-Insurance Collect	(68,000)	(83,635)	(83,635)	(85,000)	(103,700)	(119,255)
2696	Housing Rental(Hous Dev Fund)	(22,560)	(22,531)	(22,531)	(22,560)	(26,621)	(30,082)
2697	Housing Instalments(Hous Dev)	(11,354)	(11,279)	(11,279)	(11,354)	(12,489)	(13,613)
2698	Parking Bays-Buy Out(CRR)	(75,000)	(75,000)	(75,000)	-	-	-
2699	Public Contributions	-	-	-	-	-	-
2700	Fair Value Adjustment	-	-	-	-	-	-
2705	Discount on Purchases	-	-	-	-	-	-
2706	Insurance Claims	(363,050)	(410,105)	(410,105)	(306,600)	(324,996)	(341,246)
2707	Milk Powder	-	-	-	-	-	-
2708	Legal Costs	-	(25,000)	(25,000)	(200,000)	(220,000)	(239,800)
2709	Outdoor Advertising	(35,000)	(40,708)	(40,708)	(70,000)	(84,000)	(105,000)
2710	Tender Deposits Forfeited	-	-	-	-	-	-
2711	Lost Membership Cards	-	-	-	(500)	(520)	(546)
2715	Extension Costs-Waterworks	(232,800)	(232,800)	(232,800)	(232,800)	(232,800)	(232,800)
2716	Recoverable Income	-	-	-	(1,000)	(1,000)	(1,000)
2717	Retention monies-Unclaimed	-	(176,375)	(176,375)	(20,000)	(24,000)	(29,040)
2718	Reservation of Books	-	-	-	(500)	(520)	(546)
2720	Sale of Reduntant Inventory	-	(37,375)	(37,375)	(7,500)	(7,500)	(7,500)
2725	Sundries	(51,000)	(398,340)	(398,340)	(124,500)	(139,440)	(157,568)
2730	Surplus Cash	(5,000)	(10,000)	(10,000)	(10,000)	(11,750)	(13,278)
2734	Payments received:WCA	(9,000)	(12,543)	(12,543)	(43,000)	(48,160)	(53,457)
2735	Stale Cheque	(50,000)	(48,000)	(48,000)	(40,000)	(44,800)	(50,176)
2736	Unidentified Deposits	(200,000)	(200,000)	(200,000)	(150,000)	(165,000)	(178,200)
2737	X-Rays	-	-	-	-	-	-
2739	Unamortised Discount of Stock loans	(9,360)	(9,360)	(9,360)	(11,007)	(11,667)	(12,600)
2740	Unamortised Discount of Stock debtors	(51,612)	(51,612)	(51,612)	(45,088)	(47,793)	(51,616)
2741	Uncovering of meters	(600)	(326)	(326)	-	-	-
2742	Tampering with installation	(10,600)	(65,705)	(65,705)	(30,000)	(33,600)	(37,632)
2744	Unclaimed-Service Charges	-	-	-	-	-	-
2745	Unamortised Discount on Consumer Dep	-	-	-	-	-	-
2746	Penalties	-	(1,300,000)	(1,300,000)	-	-	-
2747	Watermeter Restricters	-	(200,000)	(200,000)	(100,000)	(103,000)	(104,030)
2748	Reduction in carrying amount of provision	-	-	-	-	-	-
2764	Payment received:WCA	-	-	-	-	-	-
SUB-TOTAL		(20,934,644)	(27,986,706)	(27,986,706)	(35,055,491)	(35,978,279)	(35,726,013)
85 Public Contr & Donated Property, Plant & Equipment							
2743	Public Contributions	-	(82,934,698)	(82,934,698)	-	-	-
SUB-TOTAL		-	(82,934,698)	(82,934,698)	-	-	-
86 Gains on Disposal Of Property, Plant & Equipment							
2755	Gain on Disposal of P,P & E	(10,000)	(32,004)	(32,004)	(8,500)	(10,200)	(12,750)
2756	Gain On Disposal of Land	(12,567,000)	-	-	-	-	-
SUB-TOTAL		(12,577,000)	(32,004)	(32,004)	(8,500)	(10,200)	(12,750)
88 Less Revenue Foregone							
2770	Rates Rebate-Pensioners 50%	-	-	-	-	-	-
2775	Rates Rebate-Pensioners 30%	-	-	-	-	-	-
2780	Rates Rebates-Sect.17(1)(H)	2,161,588	2,046,416	2,046,416	2,303,829	2,500,000	2,700,000
2785	Rates Rebates-Other	130,000	130,000	130,000	308,027	328,973	336,934
SUB-TOTAL		2,291,588	2,176,416	2,176,416	2,611,856	2,828,973	3,036,934
TOTALS							
TOTAL EXPENDITURE		596,925,051	647,504,743	647,504,743	649,511,396	712,168,146	788,744,666
TOTAL INCOME		(620,389,499)	(793,633,857)	(793,633,857)	(676,692,577)	(725,048,630)	(808,439,168)
GRAND TOTAL		(23,464,448)	(146,129,114)	(146,129,114)	(27,181,181)	(12,880,484)	(19,694,502)

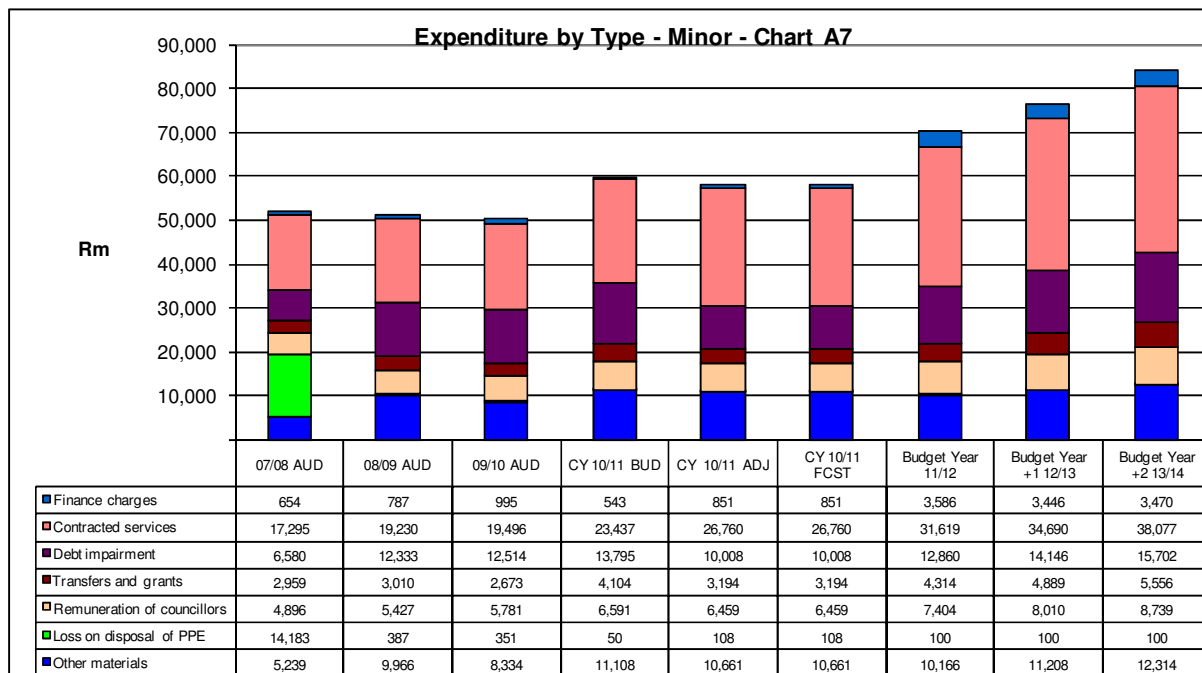
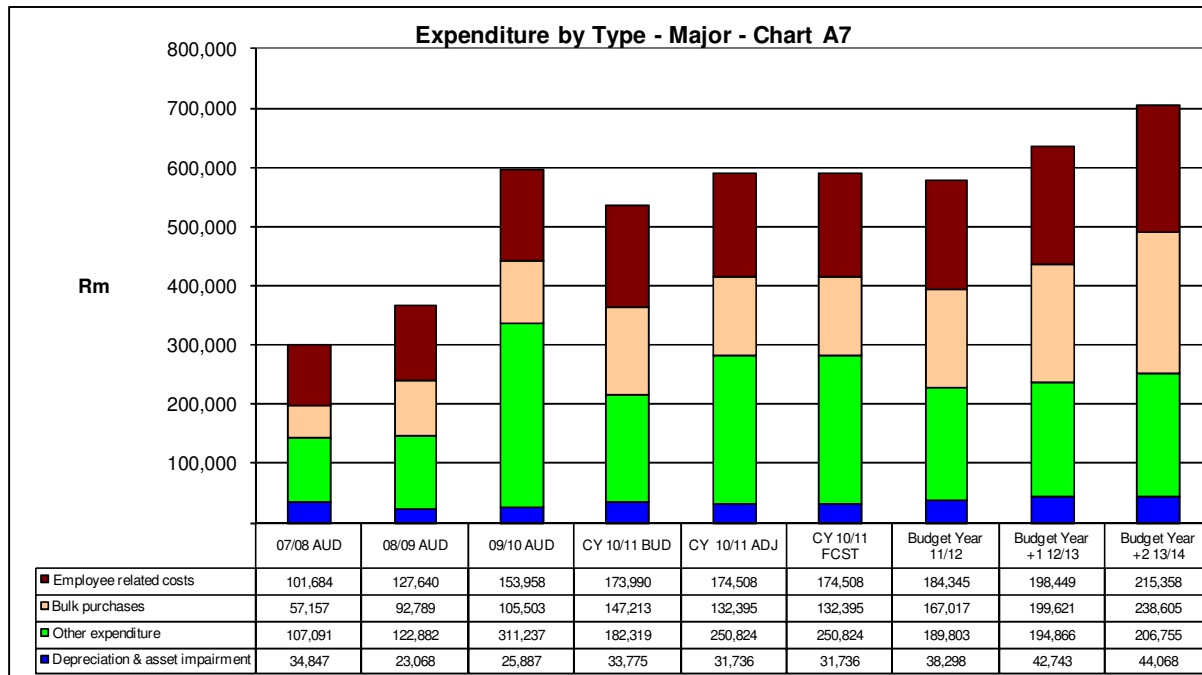


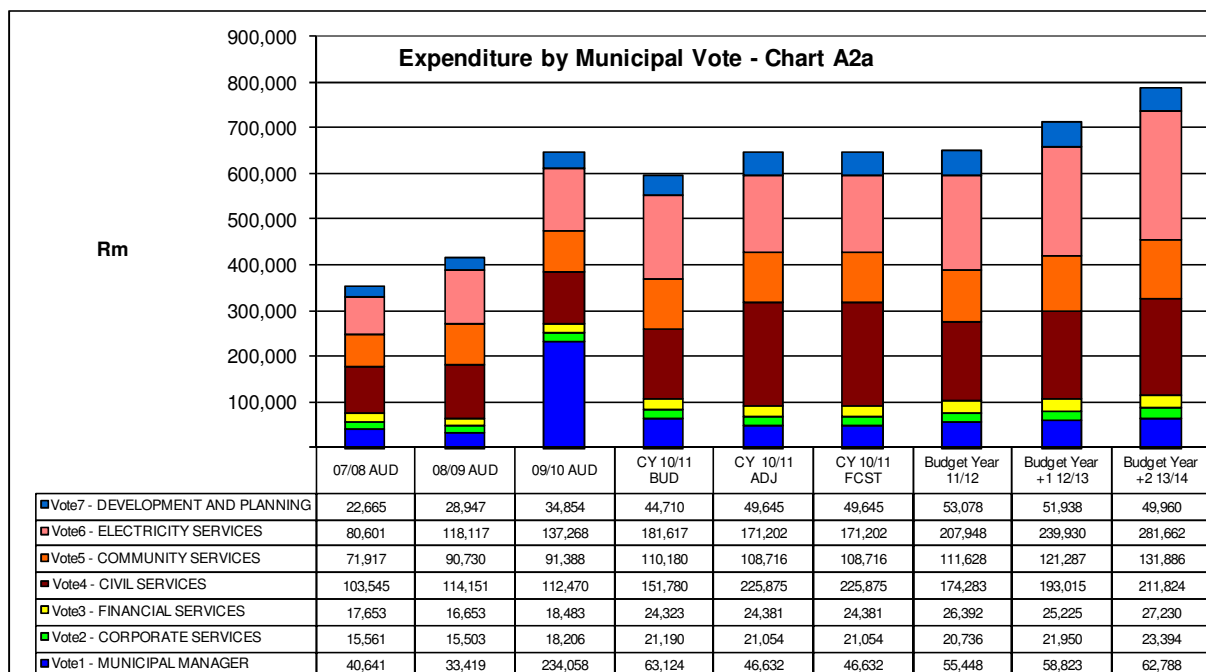
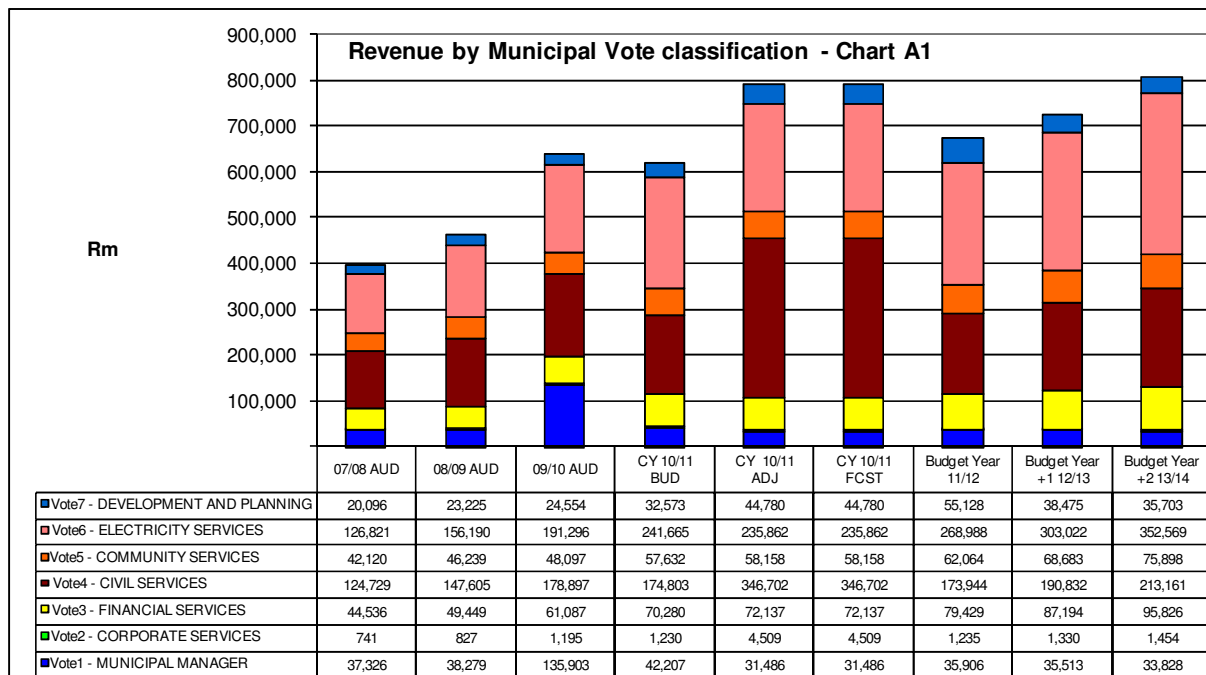
## BUDGET RELATED CHARTS / GRAPHS

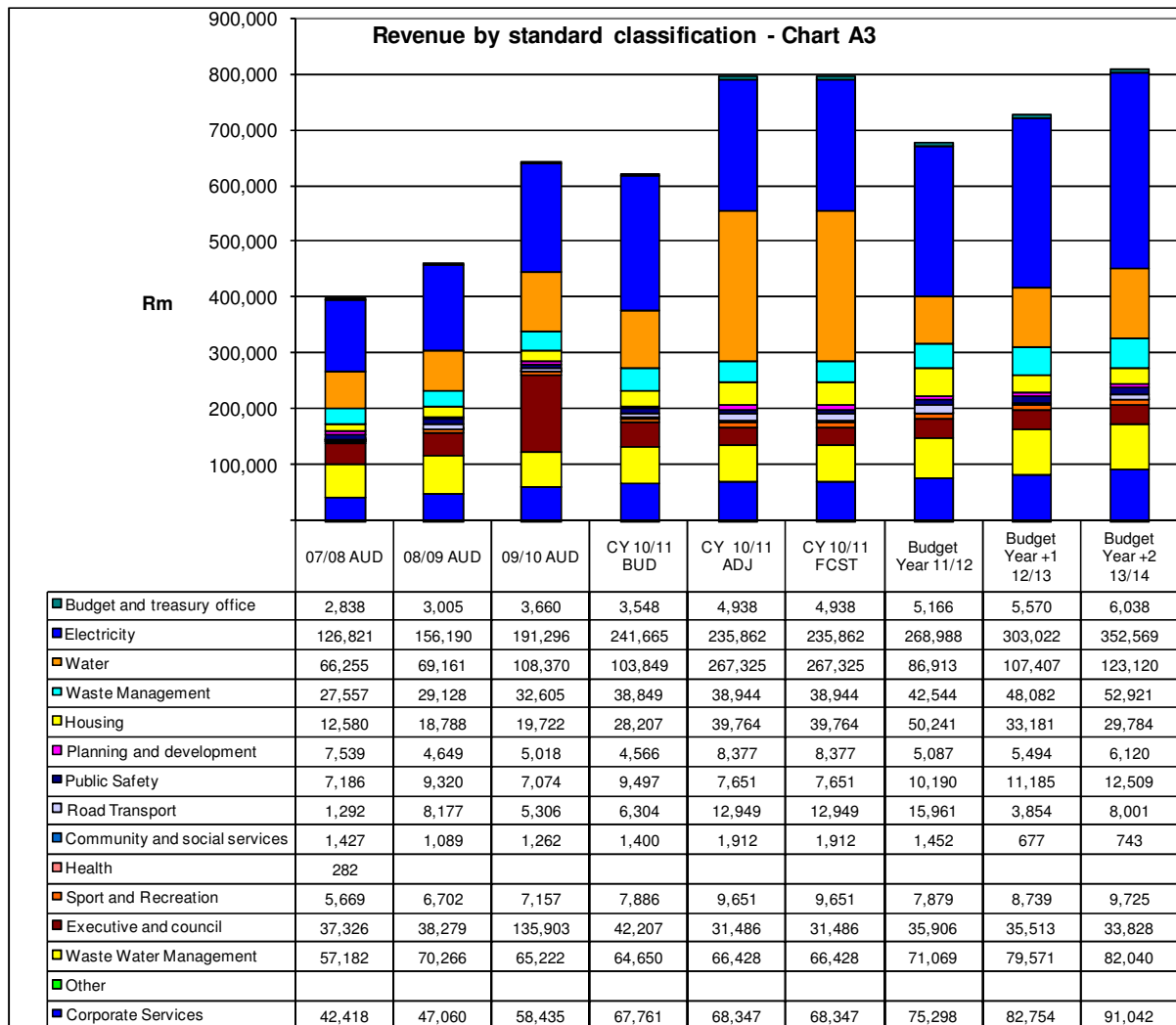
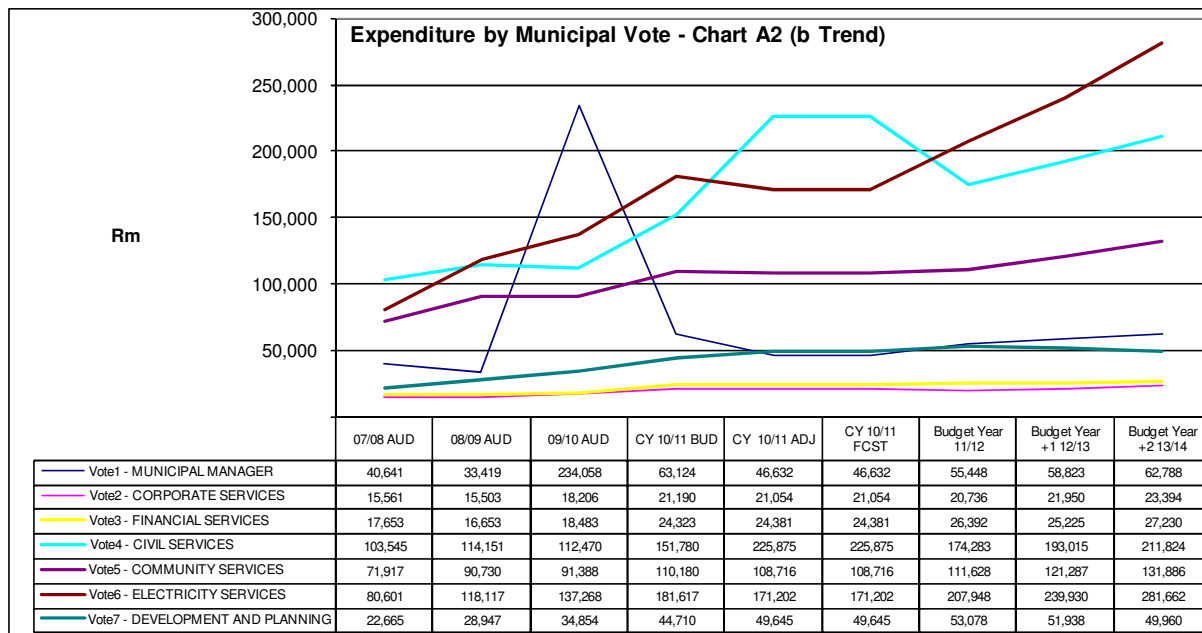
The following shows various charts and graphs on the **Operating budget** of the Municipality:

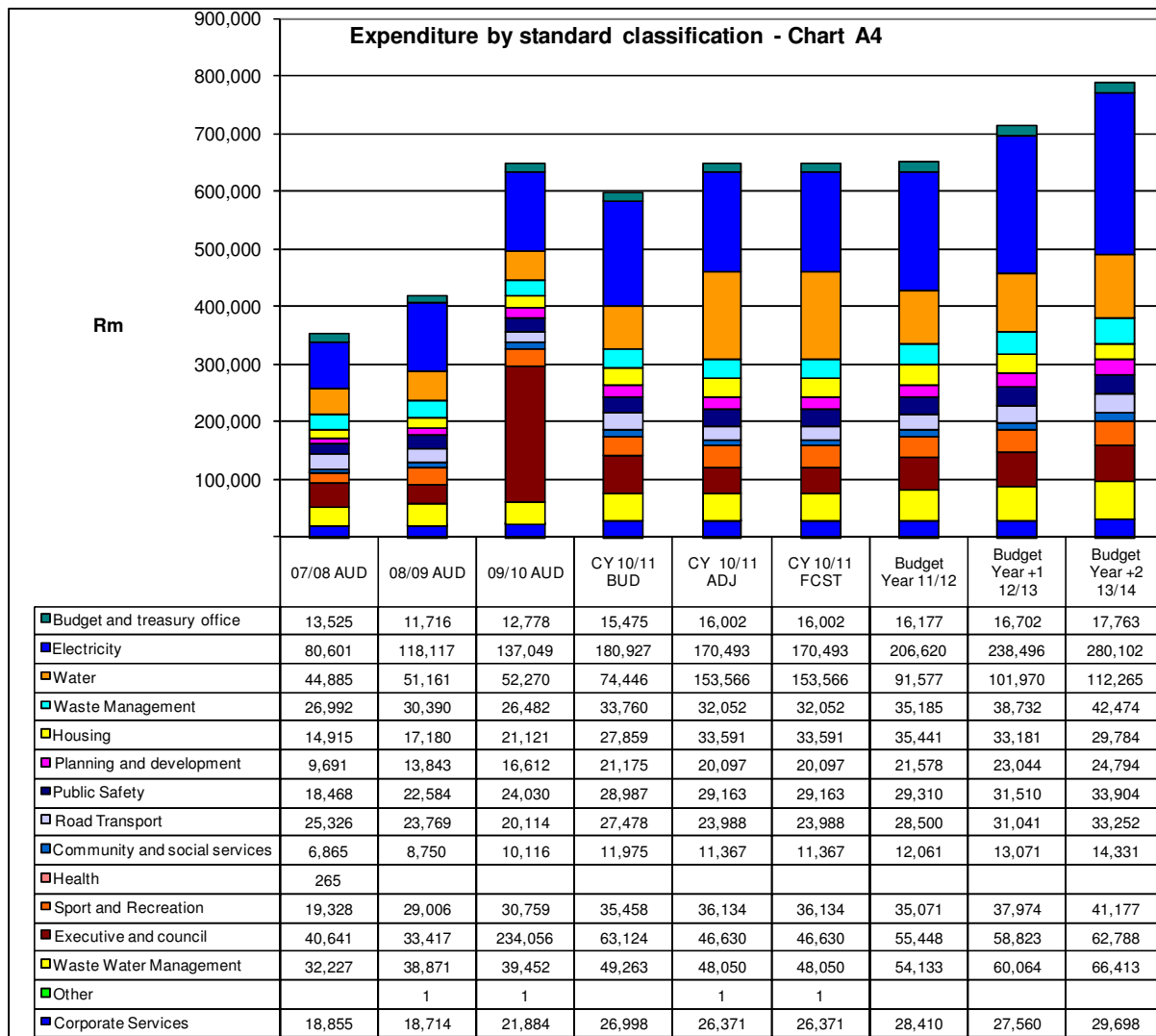




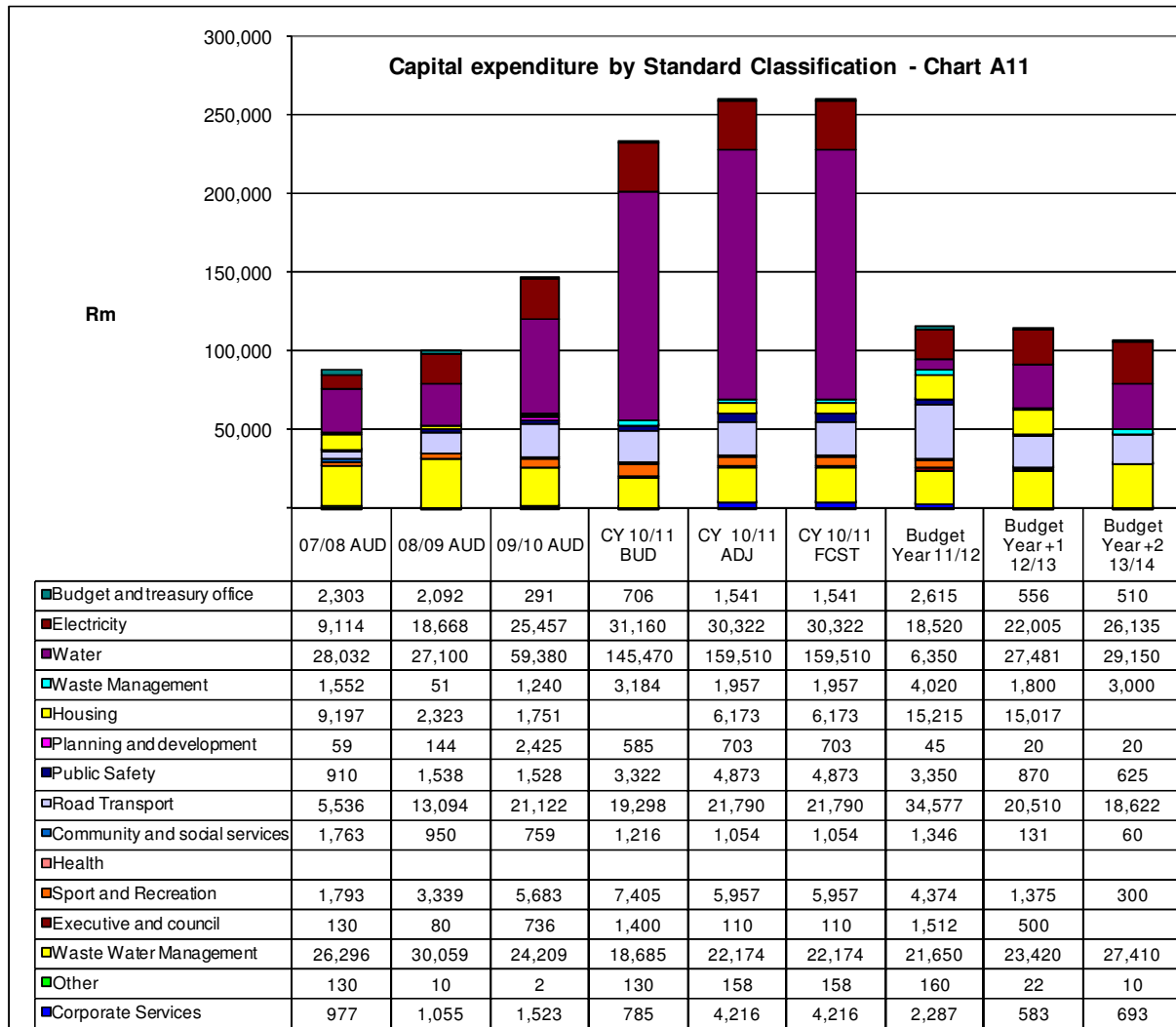


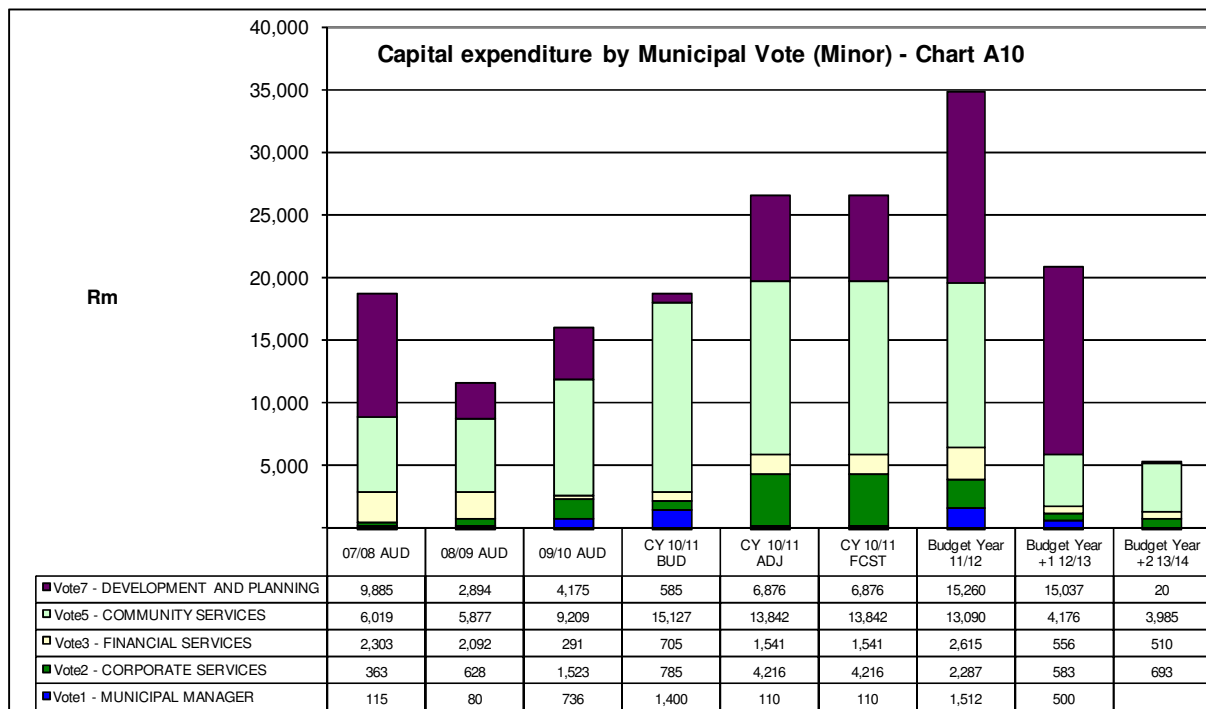
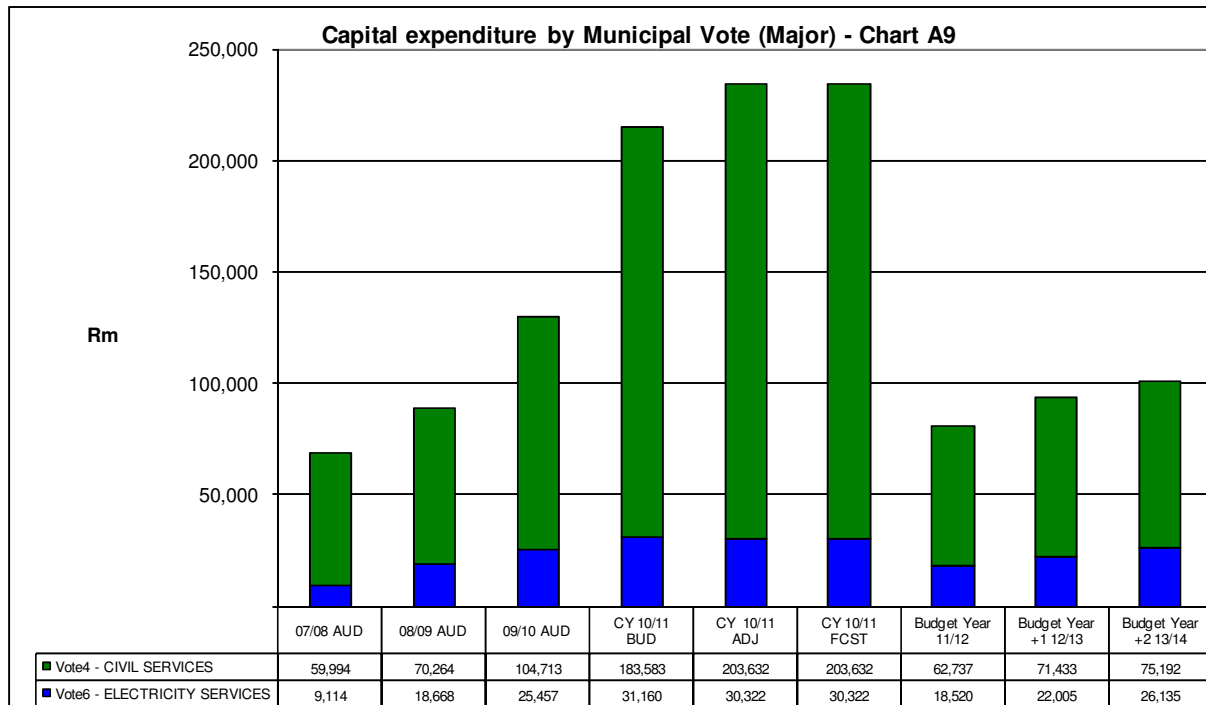




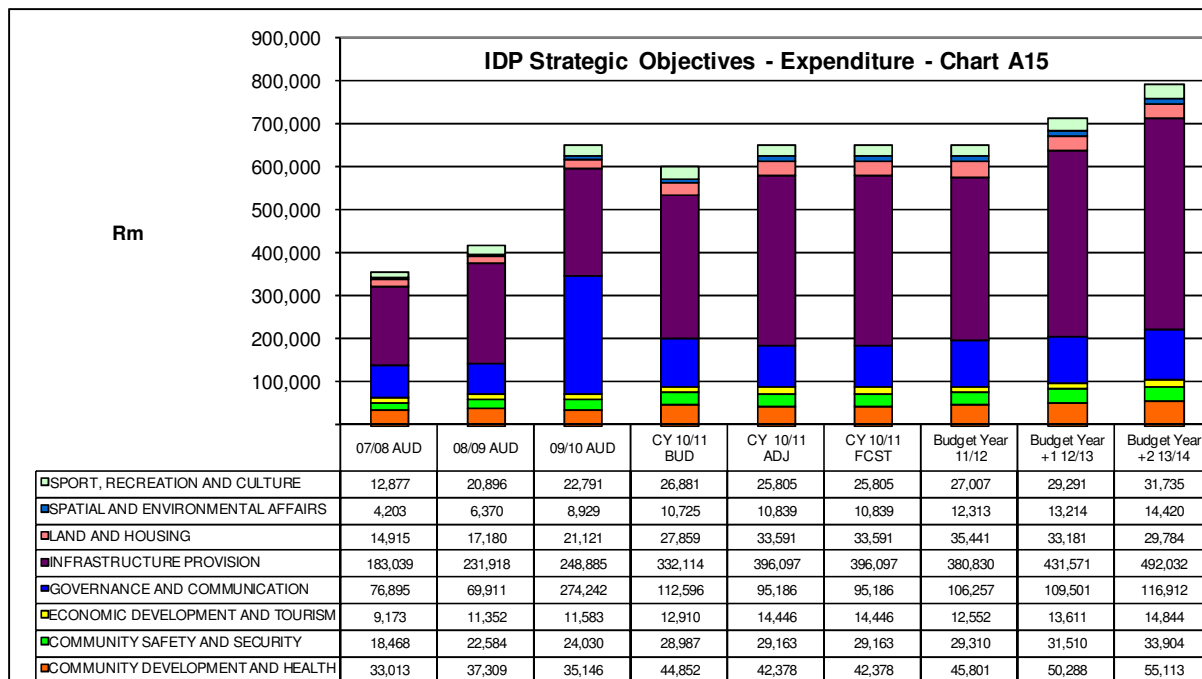
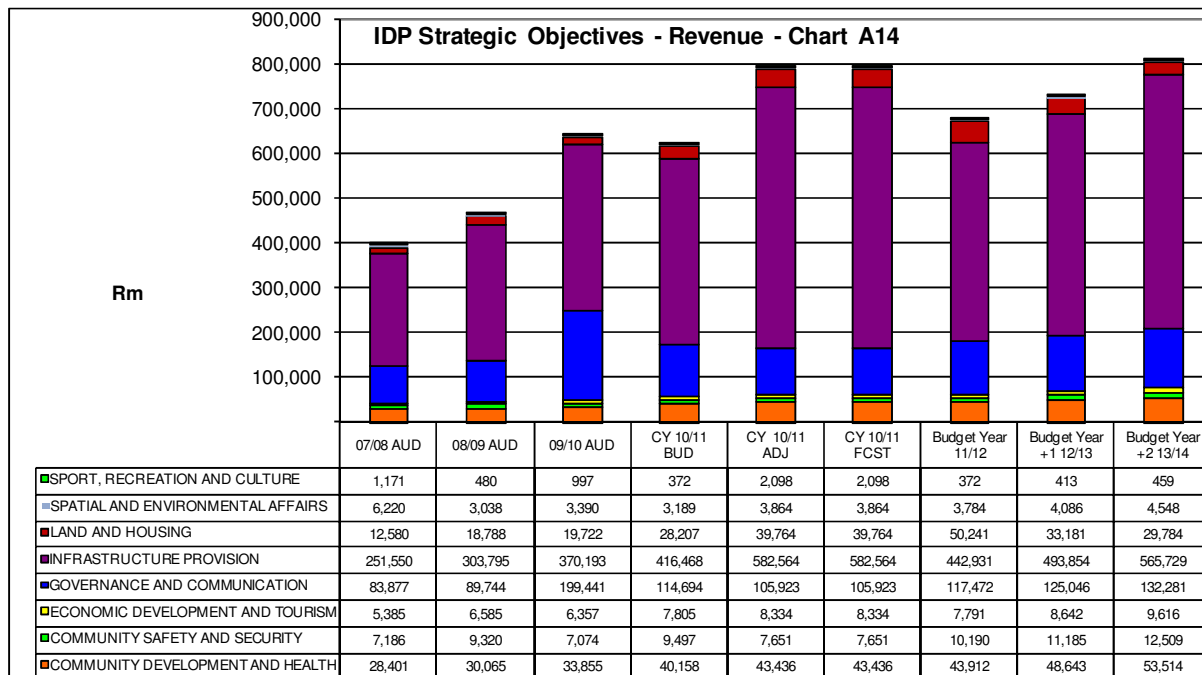


The following shows various charts and graphs on the **Capital budget** of the Municipality:

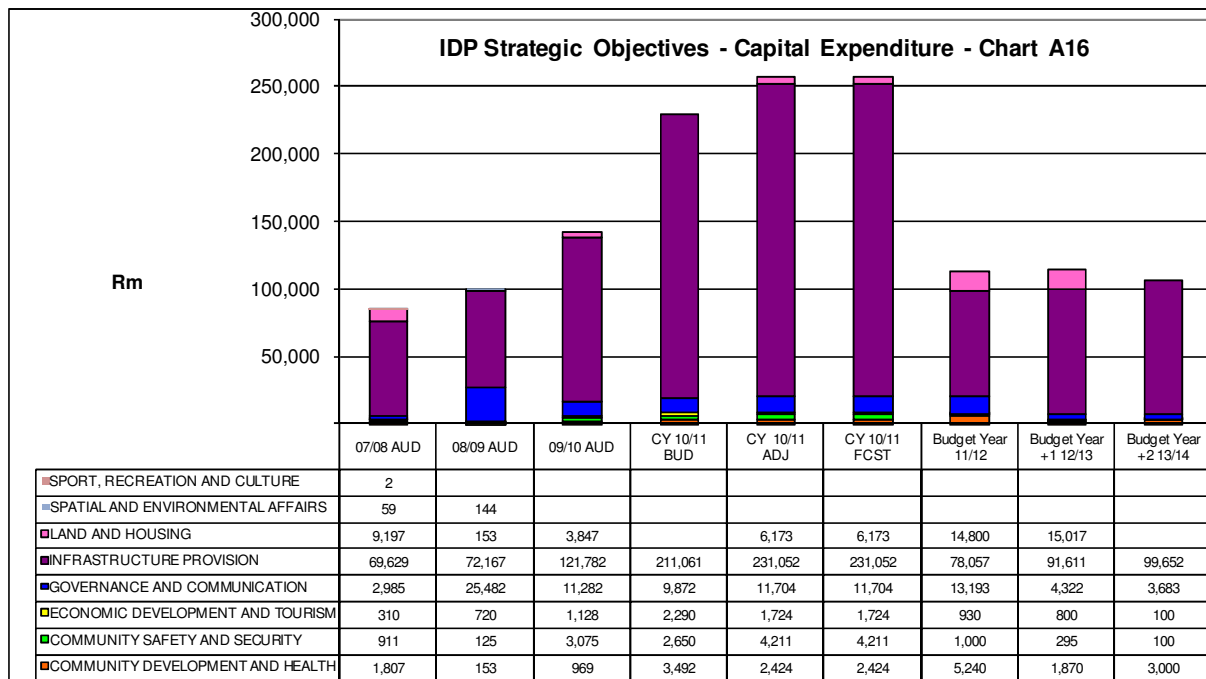




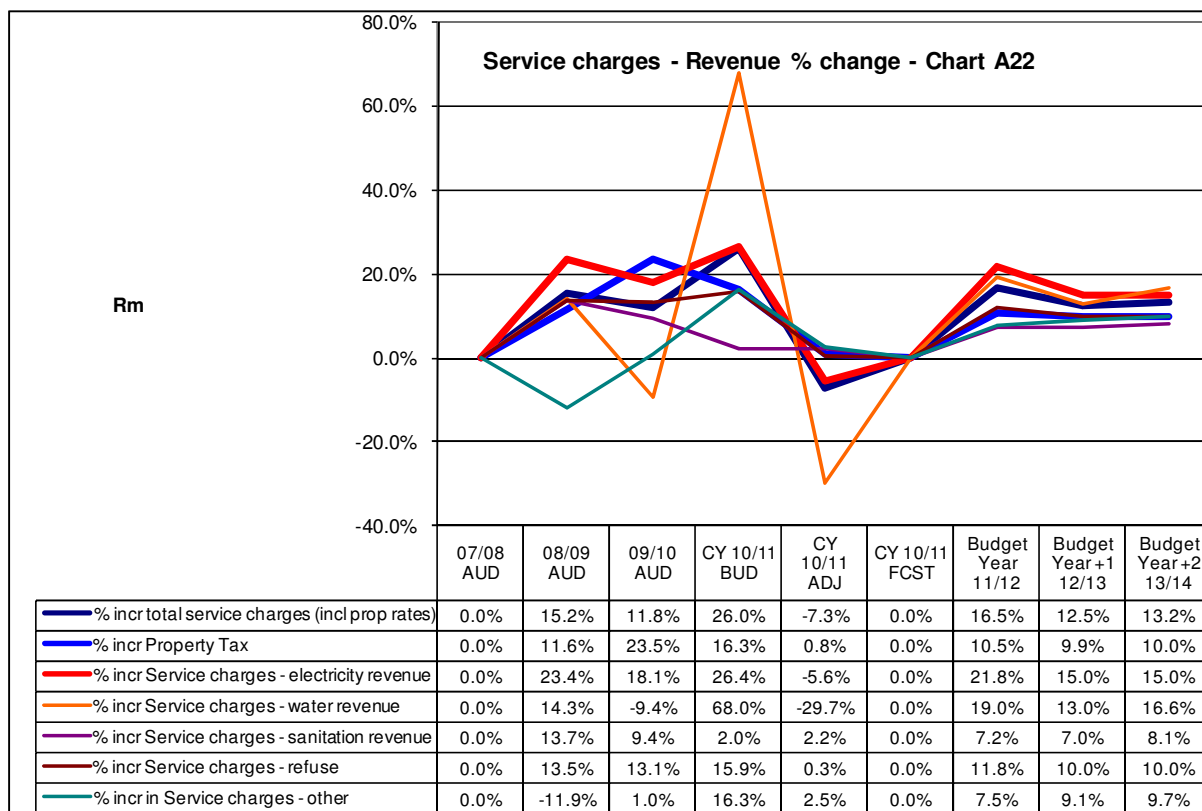
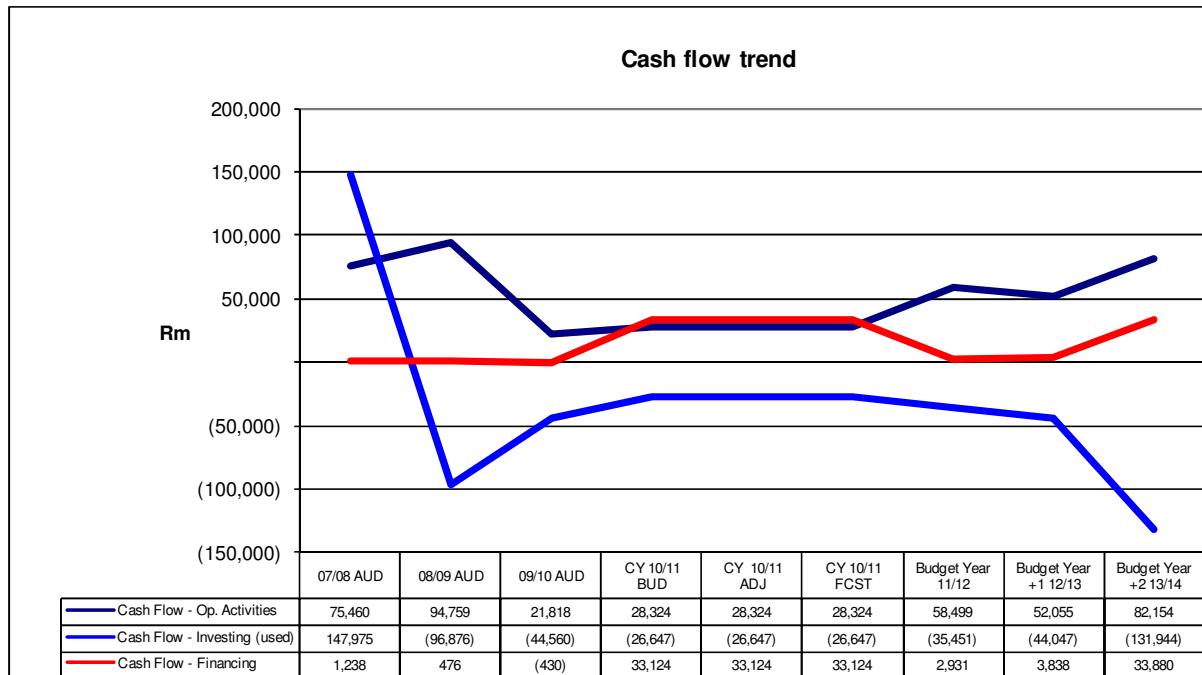
The following shows various charts and graphs on the [link between the Integrated Development Plan \(IDP\) and the municipal Budget](#):

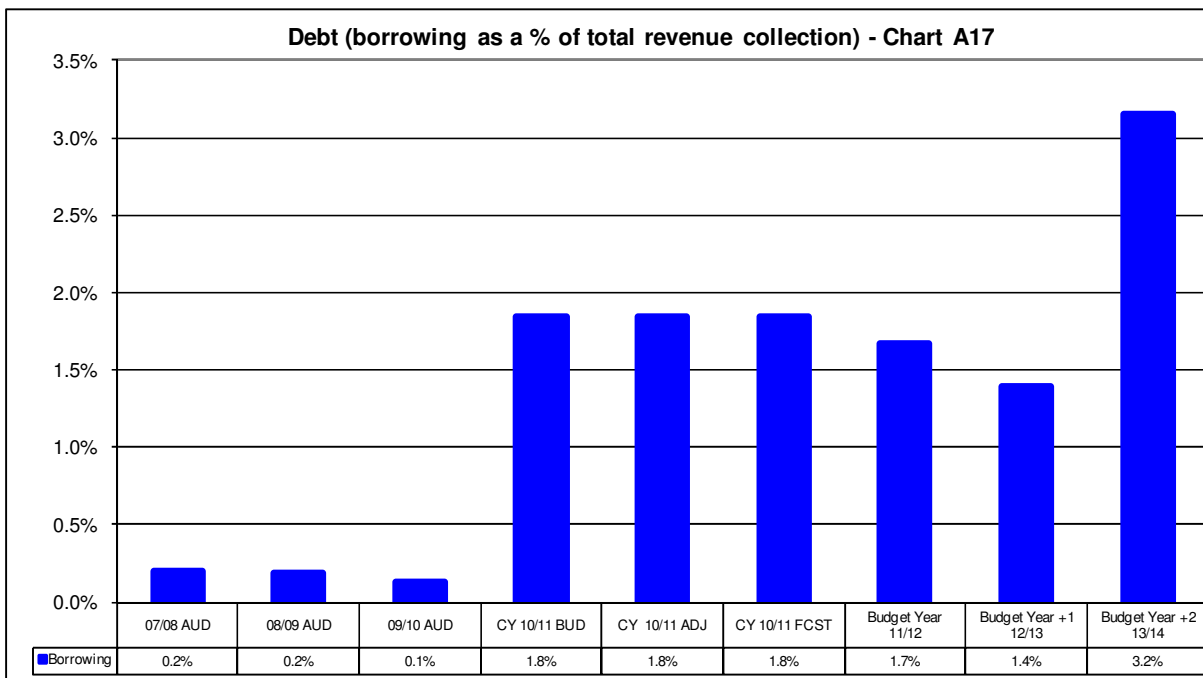
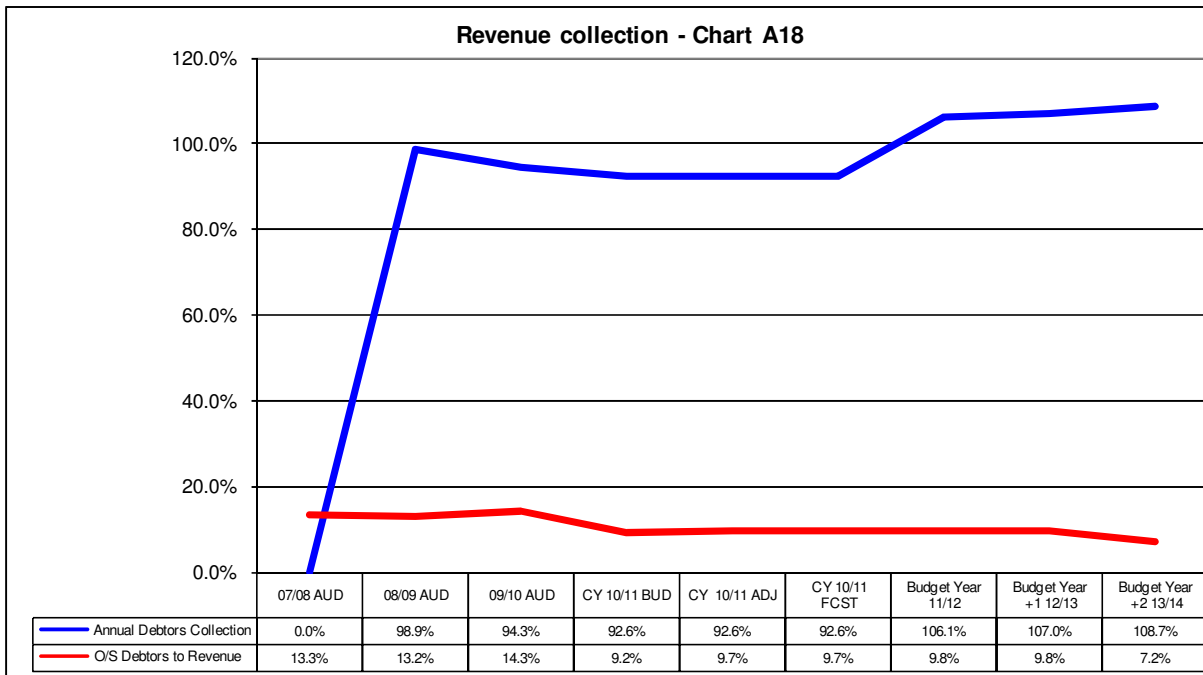


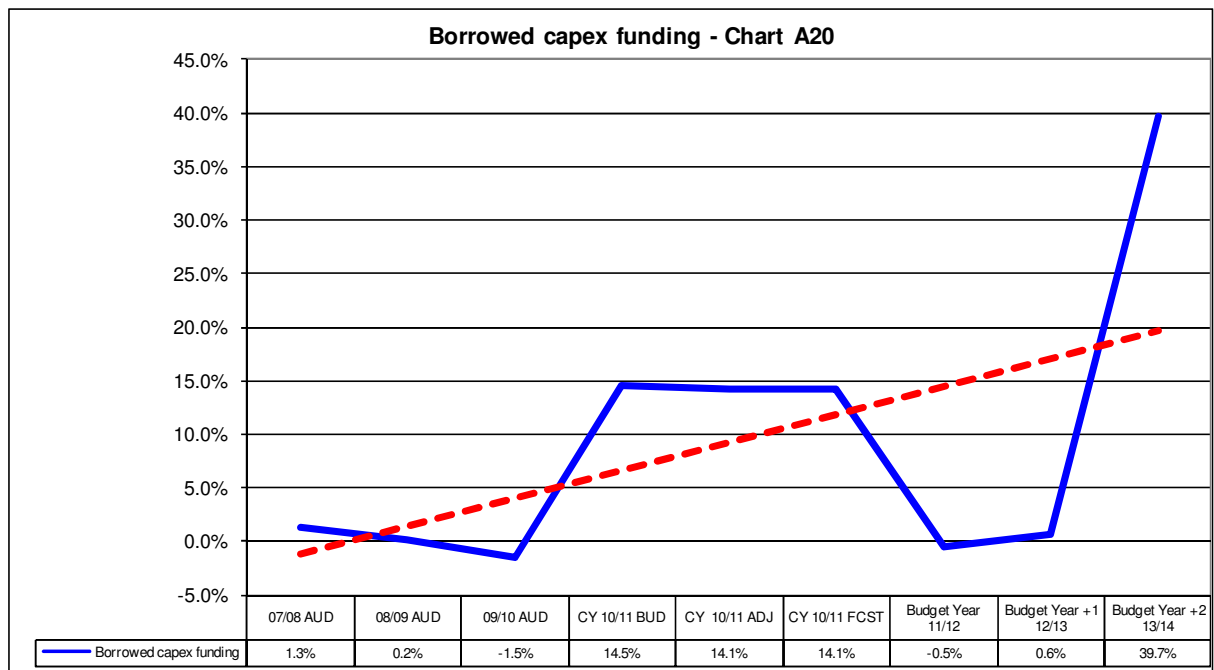
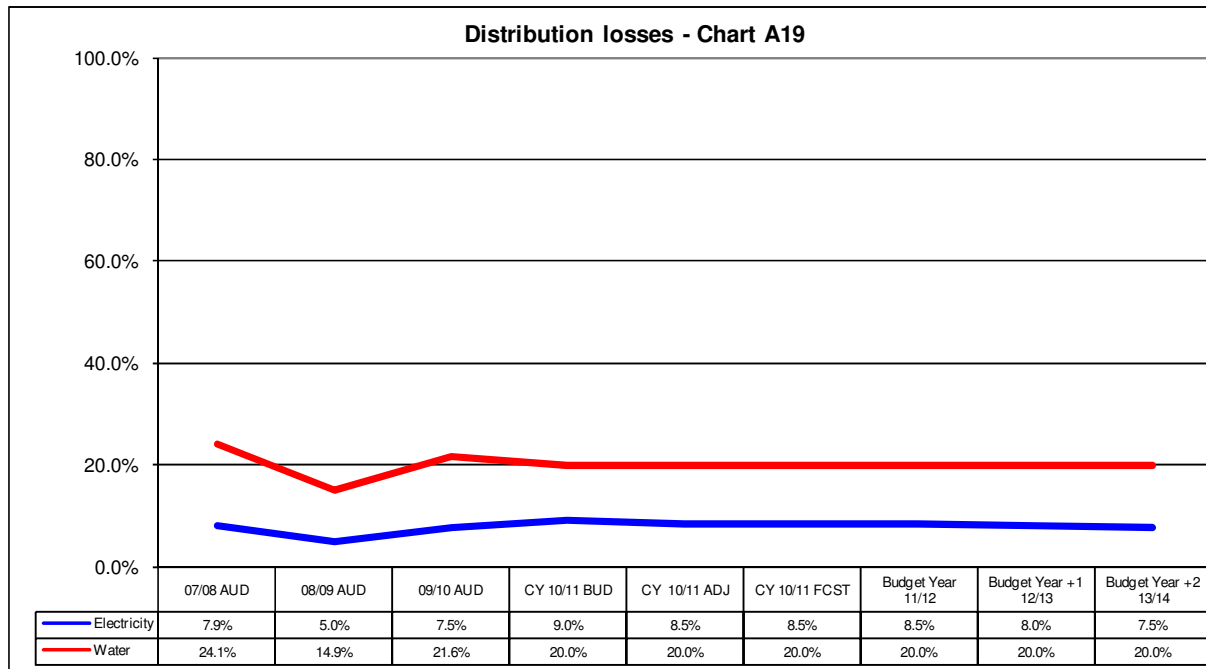


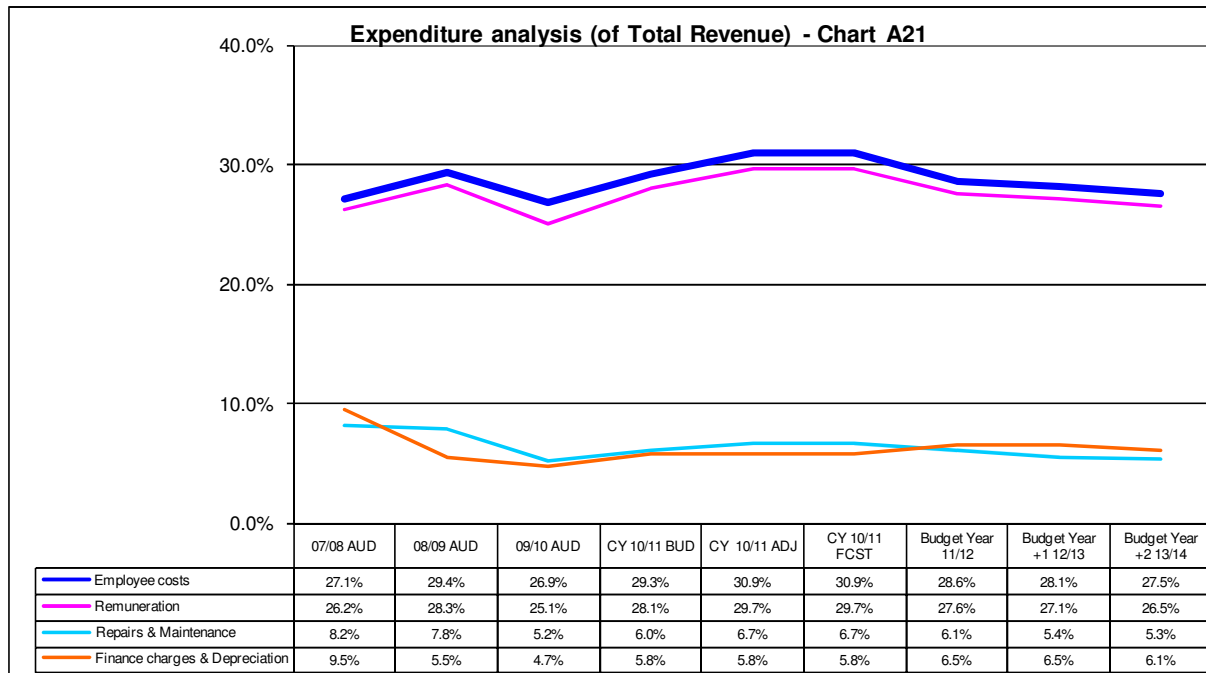


The following shows various charts and graphs on **Cash flow trends, Distribution losses, Debt collection, etc:**









## 7. SUPPORTING DOCUMENTATION

### 7.1. Budget process overview

#### POLITICAL OVERSIGHT OF THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans. The mayoral committee is one of the key elements in accomplishing the linkage between the IDP and the Budget of a municipality.

#### SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP and budget-related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council on the 15<sup>th</sup> of July 2010. Due to the fact that the municipality will be tabling its budget at an earlier date than anticipated, the municipality adjusted the IDP and Budget process plan accordingly during January 2011.

The approved schedule is set out below:

NO	IDP ACTIVITY	RESPONSIBLE PERSON	TIMEFRAME	PMS ACTIVITY
1	Draft 2011/2012 IDP and Budget schedule outlining the steps for compilation of the 2011/2012 IDP and Budget	IDP Manager CFO	Early June 2010	
2	Assess the IDP and Budget processes and adapt the process to address deficiencies, develop improvements and ensure integration and alignment of processes for 2011/2012 – 2015/2016	IDP Manager	End June 2010	
3	Tabling of Draft 2011/2012 IDP/Budget Process Plan for Council approval. Council to determine dates and venues of consultation meetings with public	IDP Steering Committee	July 2010	<ul style="list-style-type: none"> <li>■ Signing of new performance contracts for Sect. 57 Managers &amp; submission to Mayco;</li> <li>■ Prepare Departmental Plans and finalise</li> <li>■ Final Sect. 57 Managers' Performance Assessments</li> </ul>
4	<ul style="list-style-type: none"> <li>■ Advertise the budget process and dates of IDP meetings</li> <li>■ Finalise logistic processes in respect of each of the IDP meetings and table a business plan to the Executive Management in this regard.</li> </ul>	IDP manager	August 2010	
5	<ul style="list-style-type: none"> <li>■ Operational Budget: Salary/Wages schedules to Directors for scrutinising and corrections</li> </ul>	CFO and Directors	August 2010	

**Budget and IDP process (continued)**

NO	IDP ACTIVITY	RESPONSIBLE PERSON	TIMEFRAME	PMS ACTIVITY
6	IDP Public Participation Workshops	IDP Office	29 July – 4 October 2010	<ul style="list-style-type: none"> <li>■ Quarterly Project Impl. Report;</li> <li>■ Quarterly Audit Committee meeting;</li> <li>■ Special Audit Committee meeting</li> </ul>
7	Adjustment Budget: Roll-overs; changes on SDBIP and KPI's as per Adjustment Budget	CFO	25 August 2010	
8	Operational Budget: Salary/Wages schedules with corrections and recommendations to be returned to Finance Department	Directorates and Chief Expenditure	Mid September	<ul style="list-style-type: none"> <li>■ Audit of performance measures</li> </ul>
9	<ul style="list-style-type: none"> <li>■ Directorates to be provided with the previous year's operating expenditure / income actual and current year projections to be used as a base for new Operating Budget</li> </ul>	CFO	September 2010	
10	<ul style="list-style-type: none"> <li>■ Integration of information from adopted Sector Plans into the IDP document</li> <li>■ Review SDF</li> <li>■ Updating and review of strategic elements of IDP in light of the new focus of Council</li> </ul>	IDP Manager Director Town Planning	October 2010	<ul style="list-style-type: none"> <li>■ Appointment of Internal Auditor</li> <li>■ Appointment of the Audit Committee</li> <li>■ Sect. 57 Managers' quarterly assessments</li> </ul>
11	<ul style="list-style-type: none"> <li>■ Operational Budget: Income/Expenditure inputs and statistics to be returned to Budget office.</li> </ul>	Directorates	October 2010	
12	<ul style="list-style-type: none"> <li>■ Incorporate report on needs / priorities identified in community meetings in IDP and Budget</li> <li>■ Directors determine the future priority areas and departmental projects for the municipality to guide the budget allocations and IDP for the next three years</li> <li>■ Executive management articulates outcomes, objectives, priorities and outputs desired for next three years and submit capital budget projects for draft IDP document to Budget Office</li> <li>■ Based on financial statements of 2009/10 determine the financial position of the Municipality and assess its financial capacity and available funding for next three years</li> </ul>	IDP Manager  Executive Management  Executive Management  CFO	November 2010	Audit of performance measures



**Budget and IDP process (continued)**

NO	IDP ACTIVITY	RESPONSIBLE PERSON	TIMEFRAME	PMS ACTIVITY
13	<ul style="list-style-type: none"> <li>Set municipal strategies, objectives, KPA's, KPI's and targets</li> <li>Identification of priority IDP KPI's and link to budget</li> <li>Project alignment between the Eden DM and Mossel Bay municipality</li> <li>Finalise Salary budget for 2011/2012</li> <li>Finalise income/expenditure on operational budget for the budget year and two outer years</li> <li>Conclusion of Sector Plans and integration into the IDP document</li> <li>Prepare departmental Plans and link to IDP</li> </ul>	IDP Steering Committee  CFO  CFO  IDP Manager  Stakeholders of relevant sectors	November / December 2010   December 2010  December 2010	<ul style="list-style-type: none"> <li>Quarterly Project Impl. Report</li> <li>Quarterly Audit Committee meeting</li> </ul>
14	<ul style="list-style-type: none"> <li>Executive finalise the draft IDP and hand over to Mayor</li> <li>Corporate Services finalise the Draft IDP</li> <li>Start to prioritise the draft capital projects in the IDP plan for the next three years</li> <li>Workshop draft IDP</li> <li>Workshop draft Capital budget + Operational budget and Proposed Tariffs</li> </ul>	Municipal Manager Corporate Services  Budget Steering Committee & Executive Management IDP Steering Committee Budget Steering Committee	January 2011   End January 2011	
15	<ul style="list-style-type: none"> <li>Final review of municipal strategies, objectives, KPA's, KPI's and targets</li> <li>Review tariffs and charges and determine new tariffs to balance the budget</li> <li>Submit draft Top Level SDBIP to CFO for inclusion in budget</li> <li>Review all budget related policies</li> </ul>	IDP Manager    Municipal Manager and Directors	January 2011   End January 2011  End January 2011	<ul style="list-style-type: none"> <li>Mayor tables annual report</li> <li>Advertise annual report &amp; invite community inputs</li> <li>Sect. 57 Managers quarterly assessments</li> </ul>

**Budget and IDP process (continued)**

NO	IDP ACTIVITY	RESPONSIBLE PERSON	TIMEFRAME	PMS ACTIVITY
16	<ul style="list-style-type: none"> <li>Adjustment Budget: Review Capital and Operational budget for savings, additional funding and virements. (see 10/11 Budget and IDP process for wording)</li> <li>Table adjustment budget to Council</li> <li>Amend IDP, SDBIP, KPI's and performance agreements i.t.o. adjustment budget</li> <li>Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget, e.g. Grant Allocations</li> <li>MM to submit draft SDBIP to Mayor together with Annual Budget to be considered.</li> </ul>	<p>CFO</p> <p>IDP Manager</p> <p>CFO</p>	February 2011	<ul style="list-style-type: none"> <li>Quarterly Project Impl. Report</li> <li>Quarterly Audit Committee meeting</li> <li>Submit annual report to Aud. Gen., Prov. and DTLGA</li> </ul>
17	<ul style="list-style-type: none"> <li>Forward Adjustment Budget to National and Provincial Treasury after approval.</li> <li>Publication of Approved Adjustment Budget after approval</li> <li>Mayor to table the SDBIP in terms of Section 16(2) of the MFMA (Regulation 14(2) the SDBIP together with the Annual Budget</li> <li>Draft IDP, budget and related documents tabled to Council before 15 March</li> <li>Forward draft budget, IDP, SDBIP and all other related documents to National &amp; Provincial Treasury</li> </ul>	<p>Budget Office and IDP Manager</p> <p>Department of Finance</p>	<p>Early March 2011</p> <p>Mid March 2011</p> <p>Mid March 2011</p> <p>End March 2011</p>	<ul style="list-style-type: none"> <li>Council to consider and adopt an oversight report</li> <li>Set perf. objectives for revenue for each budget vote</li> </ul>
18	<ul style="list-style-type: none"> <li>Advertising &amp; publication of draft budget and IDP.</li> <li>Council determine community consultation process to be followed on draft budget and IDP</li> </ul>	<p>IDP office and Dept of Finance</p> <p>Council</p>	End March 2011	<ul style="list-style-type: none"> <li>Refinement of municipal strategies, objectives, KPA's, KPI's and targets and inclusion into IDP;</li> <li>Sect. 57 Managers' quarterly Performance assessments</li> </ul>

**Budget and IDP process (continued)**

NO	IDP ACTIVITY	RESPONSIBLE PERSON	TIMEFRAME	PMS ACTIVITY
19	<ul style="list-style-type: none"> <li>Undertake consultation processes on budget and updated IDP;</li> <li>Receive and analyse additional inputs from community and Government Departments;</li> <li>Council discusses feedback / inputs received and if necessary revise the draft budget and draft IDP ;</li> <li>Table report summarizing local community's views on Budget</li> <li>Table comments from National and Provincial Treasury, any other organ of state and other stakeholders.</li> <li>Final budget, IDP and other related documents submitted to Council for approval</li> </ul>	<p>IDP Manager</p> <p>IDP Manager</p> <p>IDP office + CFO</p> <p>IDP Manager</p> <p>Council</p>	April 2011	<ul style="list-style-type: none"> <li>Quarterly Project Implementation Report;</li> <li>Quarterly Audit committee meeting</li> <li>Annual review of organisational KPI's</li> <li>Review annual organisational performance targets</li> </ul>
20	<ul style="list-style-type: none"> <li>Forward copy of approved budget &amp; all related documents to National and Provincial Governments and other stakeholders;</li> <li>Publication of Approved Budget and supporting documentation within 10 working day after approval of the Annual Budget;</li> <li>Submit draft SDBIP to Mayor within 14 days after approval of budget</li> <li>Mayor approves the municipality's SDBIP within 28 days after the approval of the budget</li> </ul>	<p>Budget office</p> <p>Budget office</p> <p>Municipal Manager and Directors</p> <p>Mayor</p>	May 2011	<ul style="list-style-type: none"> <li>Community input into organisation KPIs and targets</li> <li>Budget for expenses of audit committee</li> </ul>
21	The Mayor ensures that the performance agreements of officials are submitted to Council and sent to MEC in province within the time limits as prescribed by the performance regulations.	Mayor	June 2011	

## FLOWCHART ON THE BUDGET PROCESS

There are basically three different processes in the budgeting cycle running at the same time:

1. Reporting on Previous year budget,
2. Current year budget implementation, and
3. Preparation of the new financial year's budget (including the two following financial year estimates).

1. Reporting on Previous year budget:

This is mainly done through the compilation of the Annual Financial Statements of the previous financial year, including the Auditor-General's Audit Report. Another example is the different reporting formats to National and Provincial government on the previous year's budget and financial performance.

2. Current year budget implementation:

Implementation of the budget starts once the budget has been approved. An important document in the implementation of the budget is the Service Delivery and Budget Implementation Plan (SDBIP), which sets out the service delivery targets and performance indicators for the financial year. The SDBIP must be approved within 28 days after the approval of the budget.

Another important aspect is the monitoring and reporting on the current year budget. According to Section 71 of the MFMA, the accounting officer must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the state of the municipality's budget. This will enable the mayor to check if the approved budget is implemented in accordance with the SDBIP, consider revisions to the approved budget and identify any financial problems facing the municipality.

3. Preparation of the new financial year's budget:

There are six distinct steps to the preparation of the new financial year's budget:

- \* Planning  
Schedule key dates; establish consultation forums; review previous processes.
- \* Strategic  
Review IDP; internal and external consultations; set service delivery objectives for the next 3 years; consult on tariffs, indigent, credit control, free basic services, etc.; consider local, provincial and national issues; consult previous year's performance and current economic and demographic trends.
- \* Preparation  
Prepare revenue and expenditure projections; draft budget policies; consult and consider local, provincial and national priorities; measurement of past and current performance against the budget.
- \* Tabling  
Table complete proposed budget, IDP revisions and budget related policies no later than 1 April (90 days before the start of the new budget year) before council; make public the budget as soon as it has been tabled (via website, hard copies and electronic copies); consult with and consider formal local, provincial and national inputs or responses.

\* Approving

After the Mayor has responded to recommendations and where necessary made revisions to the tabled budget, full council must meet no later than 31 May (30 days before the start of the new budget year) to consider the budget for approval. Council approves the budget and related policies before 1 July. Should the municipality fail to approve a budget before the start of the budget year, the mayor must inform the MEC for Finance immediately.

\* Finalisation

Publish and approve SDBIP and annual performance agreements and indicators 28 days after the approval of the budget. A delegations policy of spending authority on budget votes is also critical for successful budget implementation and monitoring and evaluation.

## CONSULTATION PROCESS

Section 16(1) of the Municipal Systems Act, No 32 van 2000 makes provision for a Municipality to create an opportunity to encourage the local community to participate in Municipal matters. The below schedule shows the sixteen (16) community participation meetings which were held throughout the Mossel Bay municipal area:

Ward	Venue	Date	Councillor	Attendance 2011/12
7	Boggoms Bay	29/07/10	J v/d Merwe	56
7	Herbertsdale Church Hall	2 /08/10	J v/d Merwe	73
4	Great Brak Community Hall	3/08/10	B Jacobs	146
10	Hartenbos Library Hall	4/08/10	J Booyens	49
6 & 8	Civic Centre	10/08/10	E Scheepers /N Lodewyks	50
4	Friemersheim Community Hall	11/08/10	B Jacobs	26
11	Dana Bay Hall	12/08/10	PA Du Plessis	87
1	Civic Centre	21/09/10	R Skombingo	9
12	Civic Centre	22/09/10	W Buda	7
2	Civic Centre	23/09/10	S Maphisa	14
5	Reebok Hall	27/09/10	J Gerber	35
9	Civic Centre	28/09/10	A Plaatjes	54
3	Civic Centre	29/09/10	E Bobotyana	35
12	Civic Centre	30/09/10	W Buda	4
7	Brandwacht	04/10/10	J v/d Merwe	68
7	Boggoms Bay	29/07/10	J v/d Merwe	56

An additional meeting was held for Extension 23 (part of Ward 11) on 12 October 2010.

The following common issues were raised during the above mentioned meetings held:

- \* Proper street lights / Upgrading of Electricity,
- \* Upgrading of roads / Streets needs to be tarred,
- \* Acceleration of Housing projects,
- \* Bush clearing,
- \* Sports facilities / Youth development,
- \* Proper traffic signs,
- \* Play parks/grounds,
- \* Upgrading of sewerage networks to curb constant blockages,

- \* Speed bumps,
- \* Building of Multi-purpose centres and upgrading of community halls,
- \* Upgrading of storm water drainage systems,
- \* Graveyards,
- \* Upgrading and building of new libraries.
- \* Support for emerging farmers
- \* Economic Development

As seen through the Sixteen (16) meetings that were held throughout the Greater Mossel Bay area of jurisdiction, it is clear that Mossel Bay Municipality gave its community extensive opportunity to participate in municipal affairs. The following means of communication, in all local languages, were utilized to ensure good attendance at these workshops:

- \* Pamphlets distributed in all areas within Greater Mossel Bay area;
- \* Notices in public places;
- \* Loud hailing;
- \* Advertisements in the local newspapers;
- \* Ward Based community organisation meetings;
- \* Radio Talk.

The main objectives of these meetings were:

- \* To obtain the needs of the communities which could culminate into ward cluster priorities that will ultimately be consolidated into the priorities of Mossel Bay Municipality;
- \* To educate our communities on how the IDP works and how this affects them;
- \* To use the knowledge and experience of local residents and communities in order to arrive at appropriate and sustainable solutions and measures;
- \* To build a foundation of trust between all the stakeholders;
- \* To negotiate conflicting interest, finding compromises and common ground and thereby, creating the basis for increased transparency and accountability of local government towards local residents.

These meetings were extremely well attended and transport was arranged for the various communities to attend the workshops.

## ***7.2. Alignment between Budget and the Integrated Development Plan (IDP)***

### **AMENDMENTS TO THE INTEGRATED DEVELOPMENT PLAN (IDP)**

- Revision of the lay-out of the document
- Inclusion of Chapter on Sectoral Plan
- Inclusion of Chapter on Financial Viability of the Municipality

Mossel Bay Municipality has a 5 year plan and the only changes were the sifting of the priorities that change from one year to another. For further reference you are referred to the IDP document, which also contains the alignment of the IDP with the Budget and the detailed capital program.

**RECONCILIATION OF IDP & BUDGET: OPERATING REVENUE**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	87	105	145	143	190	190	193	219	236
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: CLINICS	–	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: COMMUNITY SERVICE	282	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: GENERAL	–	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: PRIME CARE	–	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	LIBRARIES	453	622	920	967	941	941	975	143	156
COMMUNITY DEVELOPMENT AND HEALTH	SOCIO-ECON.PLANNING/DEVELOPM.	22	211	186	200	3,361	3,361	200	200	200
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : REFUSE REMOVAL SERV	27,557	29,128	32,213	38,643	38,738	38,738	42,317	47,833	52,661
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : STREET CLEANING	–	–	357	206	206	206	226	249	260
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : TRANSFER STATIONS	–	–	35	–	–	–	–	–	–
COMMUNITY SAFETY AND SECURITY	FIRE BRIGADE &RESCUE SERVICES	53	79	100	94	68	68	120	124	130
COMMUNITY SAFETY AND SECURITY	MUNICIPAL POLICE & TRAFFIC	7,133	9,242	6,974	9,403	7,583	7,583	10,070	11,061	12,379
COMMUNITY SAFETY AND SECURITY	SECURITY SERVICES	–	–	–	–	–	–	–	–	–
ECONOMIC DEVELOPMENT AND TOURISM	INDUSTRIAL & TOURISM MARKETING	–	–	–	–	–	–	–	–	–
ECONOMIC DEVELOPMENT AND TOURISM	BEACHES	11	41	24	29	1,031	1,031	28	29	31
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :DIAS	–	–	–	–	–	–	–	–	–
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :POINT	1,587	1,793	1,920	2,215	2,027	2,027	2,215	2,436	2,704
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :SANTOS / BAKKE	1,700	2,437	2,433	3,003	3,000	3,000	3,003	3,303	3,666
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DE BAKKE	2,087	2,314	1,981	2,558	2,277	2,277	2,545	2,873	3,216
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DIASSTRAND	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	MUNICIPAL MANAGER : ADMIN	–	16	10	–	2	2	–	–	–
GOVERNANCE AND COMMUNICATION	COUNCIL : GENERAL EXPENSES	37,326	38,263	135,893	42,207	31,484	31,484	35,906	35,513	33,828
GOVERNANCE AND COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	75	8	260	130	248	248	135	140	146
GOVERNANCE AND COMMUNICATION	CUSTOMER CARE	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	HUMAN RESOURCES	644	609	749	900	900	900	900	990	1,109
GOVERNANCE AND COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	2,838	3,005	3,660	3,548	4,938	4,938	5,166	5,570	6,038
GOVERNANCE AND COMMUNICATION	ASSESSMENT RATES	41,569	46,378	57,285	66,602	67,117	67,117	74,162	81,518	89,678
GOVERNANCE AND COMMUNICATION	COMPUTER CENTRE	33	0	0	–	0	0	1	1	1
GOVERNANCE AND COMMUNICATION	PAYROLL MANAGEMENT	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	SUPPLY CHAIN MANAGEMENT	97	65	141	130	81	81	100	106	109
GOVERNANCE AND COMMUNICATION	VALUATIONS	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	MANAGER TECHNICAL SERV : ADMIN	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	FLEET MANAGEMENT	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	MUNICIPAL BUILDINGS & LAND	1,296	1,399	1,442	1,177	1,153	1,153	1,103	1,209	1,372



**RECONCILIATION OF IDP & BUDGET: OPERATING REVENUE (Continued)**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
INFRASTRUCTURE PROVISION	ELECTRICITY ADMINISTRATION	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	126,821	156,190	191,296	241,665	235,862	235,862	268,988	303,022	352,569
INFRASTRUCTURE PROVISION	MAIN ROADS	725	811	–	50	1,853	1,853	50	–	–
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	7,002	11,697	4,110	–	0	0	–	–	–
INFRASTRUCTURE PROVISION	STREETS	567	7,366	5,306	6,254	11,096	11,096	15,911	3,854	8,001
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - RUITERBOS	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - BRANDWACHT	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - PINNACLE POINT	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - REGIONAL PL	22	3	2	3	2	2	2	3	3
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - GREAT BRAK	1,242	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - HERBERTSDAL	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - FRIEMERSHEIM	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - EXTERNAL	320	3,025	862	919	1,876	1,876	3	4,003	3
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - NETWORK	48,596	55,542	60,249	63,729	64,550	64,550	71,064	75,565	82,034
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - RUITERBOS	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - LODEWYKS	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	WATER : PURIF WORKS - KLEIN BRAK	5,000	–	4,750	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - SANDHOOGTE	34	38	65	52	52	52	45	50	54
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - GREAT BRAK	2	0	306	5,352	5,353	5,353	–	–	2,000
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - FRIEMERSHEIM	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - HERBERTSDALE	–	–	–	–	–	–	–	–	–
INFRASTRUCTURE PROVISION	WATER : DISTRIBUTION SERVICES	59,468	68,599	63,561	98,211	74,907	74,907	11,043	21,874	21,858
INFRASTRUCTURE PROVISION	WATER : EXTERNAL SERVICES	1,751	524	39,688	233	187,012	187,012	75,826	85,483	99,208
LAND AND HOUSING	HOUSING ADMINISTRATION	12,580	18,788	19,722	28,207	39,764	39,764	50,241	33,181	29,784
SPATIAL AND ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	6,220	3,038	3,390	3,189	3,864	3,864	3,784	4,086	4,548
SPORT, RECREATION AND CULTURE	TOWN HALL & COMMUNITY HALLS	873	308	192	241	318	318	254	282	313
SPORT, RECREATION AND CULTURE	PLANTATIONS	14	54	5	50	463	463	30	33	37
SPORT, RECREATION AND CULTURE	PARKS: HARRY GIDDY PARK	–	–	8	6	8	8	9	10	11
SPORT, RECREATION AND CULTURE	PARKS & RECREATION	7	4	3	3	1,254	1,254	3	3	3
SPORT, RECREATION AND CULTURE	SPORT GROUNDS	277	113	789	73	55	55	77	85	95
Total Revenue (excluding capital transfers and contributions)		396,369	461,815	641,029	620,389	793,634	793,634	676,693	725,049	808,439

**RECONCILIATION OF IDP & BUDGET: OPERATING EXPENDITURE**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	441	508	651	842	661	661	700	759	823
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: CLINICS	155	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: COMMUNITY SERVICE	110	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: GENERAL	–	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH: PRIME CARE	–	–	–	–	–	–	–	–	–
COMMUNITY DEVELOPMENT AND HEALTH	LIBRARIES	3,373	4,335	5,133	5,926	5,623	5,623	5,975	6,510	7,199
COMMUNITY DEVELOPMENT AND HEALTH	SOCIO-ECON.PLANNING/DEVELOPM.	1,941	2,076	2,879	4,324	4,042	4,042	3,941	4,288	4,618
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : REFUSE REMOVAL SERV	24,465	27,730	23,358	30,053	28,169	28,169	30,825	34,099	37,556
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : STREET CLEANING	1,429	1,679	1,972	2,375	2,442	2,442	2,623	2,813	3,040
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING : TRANSFER STATIONS	1,098	981	1,152	1,331	1,440	1,440	1,737	1,820	1,878
COMMUNITY SAFETY AND SECURITY	FIRE BRIGADE &RESCUE SERVICES	7,079	8,904	10,127	10,842	11,548	11,548	12,460	13,353	14,449
COMMUNITY SAFETY AND SECURITY	MUNICIPAL POLICE & TRAFFIC	11,389	13,679	13,903	18,146	17,615	17,615	16,850	18,158	19,455
COMMUNITY SAFETY AND SECURITY	SECURITY SERVICES	–	–	–	–	–	–	–	–	–
ECONOMIC DEVELOPMENT AND TOURISM	INDUSTRIAL & TOURISM MARKETING	–	1	1	–	1	1	0	–	–
ECONOMIC DEVELOPMENT AND TOURISM	BEACHES	2,814	4,379	4,076	4,446	5,386	5,386	4,373	4,785	5,250
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :DIAS	14	16	20	–	–	–	–	–	–
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :POINT	1,506	1,619	1,742	2,037	2,220	2,220	2,238	2,431	2,659
ECONOMIC DEVELOPMENT AND TOURISM	CARAVAN PARK :SANTOS / BAKKE	1,284	1,578	1,565	1,833	2,071	2,071	1,912	2,089	2,289
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DE BAKKE	3,246	3,535	4,127	4,594	4,768	4,768	4,029	4,306	4,646
ECONOMIC DEVELOPMENT AND TOURISM	CHALETS : DIASSTRAND	308	223	52	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	MUNICIPAL MANAGER : ADMIN	1,572	1,685	1,302	1,629	1,658	1,658	1,499	1,549	1,625
GOVERNANCE AND COMMUNICATION	COUNCIL : GENERAL EXPENSES	39,069	31,732	232,754	61,496	44,972	44,972	53,948	57,274	61,163
GOVERNANCE AND COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	8,433	8,303	9,898	10,432	10,455	10,455	10,038	10,342	10,790
GOVERNANCE AND COMMUNICATION	CUSTOMER CARE	1,393	1,355	318	508	480	480	499	539	589
GOVERNANCE AND COMMUNICATION	HUMAN RESOURCES	3,793	3,769	5,112	5,926	6,077	6,077	6,259	6,780	7,397
GOVERNANCE AND COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	13,525	11,716	12,778	15,475	16,002	16,002	16,177	16,702	17,763
GOVERNANCE AND COMMUNICATION	ASSESSMENT RATES	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	COMPUTER CENTRE	1,817	1,911	1,834	2,412	2,182	2,182	2,449	2,730	3,164
GOVERNANCE AND COMMUNICATION	PAYROLL MANAGEMENT	–	–	–	–	–	–	–	–	–
GOVERNANCE AND COMMUNICATION	SUPPLY CHAIN MANAGEMENT	1,060	1,586	2,574	3,477	3,413	3,413	3,603	3,879	4,207
GOVERNANCE AND COMMUNICATION	VALUATIONS	1,251	1,440	1,298	2,959	2,784	2,784	4,163	1,914	2,097
GOVERNANCE AND COMMUNICATION	MANAGER TECHNICAL SERV : ADMIN	1,107	350	634	593	272	272	72	(60)	(106)
GOVERNANCE AND COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	328	667	719	873	966	966	898	874	907
GOVERNANCE AND COMMUNICATION	FLEET MANAGEMENT	–	–	219	690	708	708	1,328	1,434	1,560
GOVERNANCE AND COMMUNICATION	MUNICIPAL BUILDINGS & LAND	3,547	5,397	4,805	6,126	5,216	5,216	5,325	5,543	5,756

**RECONCILIATION OF IDP & BUDGET: OPERATING EXPENDITURE (Continued)**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
INFRASTRUCTURE PROVISION	ELECTRICITY ADMINISTRATION	6,808	5,948	7,043	7,976	7,780	7,780	8,095	8,817	9,607
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	73,793	112,169	130,006	172,951	162,713	162,713	198,525	229,679	270,495
INFRASTRUCTURE PROVISION	MAIN ROADS	906	889	–	63	2,316	2,316	63	–	–
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	3,575	3,476	3,404	5,321	4,194	4,194	4,798	5,499	6,196
INFRASTRUCTURE PROVISION	STREETS	24,420	22,880	20,114	27,415	21,672	21,672	28,438	31,041	33,252
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - RUITERBOS	–	–	–	–	–	–	75	81	88
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - BRANDWACHT	–	–	–	–	–	–	34	36	40
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - PINNACLE POINT	678	1,201	2,778	3,162	3,002	3,002	2,944	3,065	3,189
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - REGIONAL PL	4,353	5,722	7,862	8,706	9,279	9,279	9,974	11,131	12,526
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - GREAT BRAK	335	300	439	523	516	516	555	605	660
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - FRIEBERTSDAL	43	96	106	145	134	134	139	153	168
INFRASTRUCTURE PROVISION	SEW : PURIF SERV - FRIEMERSHEIM	151	252	353	370	382	382	365	396	433
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - EXTERNAL	7,676	6,212	4,674	6,507	6,610	6,610	7,826	9,281	10,735
INFRASTRUCTURE PROVISION	SEW : RETIC SERV - NETWORK	15,416	21,612	19,836	24,529	23,932	23,932	27,424	29,816	32,379
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - RUITERBOS	–	–	–	–	–	–	86	92	100
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - LODEWYKS	–	–	–	–	–	–	46	50	54
INFRASTRUCTURE PROVISION	WATER : PURIF WORKS - KLEIN BRAK	14,589	16,690	14,617	21,486	18,807	18,807	11,229	12,440	13,814
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - SANDHOOGTE	2,146	3,255	3,207	3,936	3,587	3,587	3,745	4,088	4,473
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - GREAT BRAK	1,470	1,991	2,356	2,940	2,870	2,870	2,747	2,968	3,212
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - FRIEMERSHEIM	231	337	305	375	355	355	378	410	446
INFRASTRUCTURE PROVISION	WATER : PURIFWORKS - HERBERTSDALE	66	80	104	146	129	129	127	140	153
INFRASTRUCTURE PROVISION	WATER : DISTRIBUTION SERVICES	14,282	20,063	22,807	26,550	28,295	28,295	32,455	35,702	38,813
INFRASTRUCTURE PROVISION	WATER : EXTERNAL SERVICES	12,101	8,744	8,874	19,013	99,523	99,523	40,765	46,080	51,198
LAND AND HOUSING	HOUSING ADMINISTRATION	14,915	17,180	21,121	27,859	33,591	33,591	35,441	33,181	29,784
SPATIAL AND ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	4,203	6,370	8,929	10,725	10,839	10,839	12,313	13,214	14,420
SPORT, RECREATION AND CULTURE	TOWN HALL & COMMUNITY HALLS	2,529	2,991	3,290	3,926	3,668	3,668	3,924	4,322	4,746
SPORT, RECREATION AND CULTURE	PLANTATIONS	194	249	323	408	448	448	564	606	656
SPORT, RECREATION AND CULTURE	PARKS: HARRY GIDDY PARK	–	–	831	971	964	964	995	1,076	1,172
SPORT, RECREATION AND CULTURE	PARKS & RECREATION	7,766	14,570	15,300	16,816	17,047	17,047	17,103	18,487	19,947
SPORT, RECREATION AND CULTURE	SPORT GROUNDS	2,388	3,086	3,047	4,760	3,678	3,678	4,421	4,800	5,214
		352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745

**RECONCILIATION OF IDP & BUDGET: CAPITAL EXPENDITURE**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
COMMUNITY DEVELOPMENT AND HEALTH	CEMETERIES	255	153	88	320	260	260	50	30	
SPORT, RECREATION & CULTURE	TOWN HALL & COMMUNITY HALLS	1,433	20	493	410					
COMMUNITY DEVELOPMENT AND HEALTH	HEALTH	–	–	–						
COMMUNITY SAFETY & SECURITY	FIRE BRIGADE &RESCUE SERVICES	65	40	925	2,210	2,232	2,232	600	100	100
COMMUNITY SAFETY & SECURITY	MUNICIPAL POLICE & TRAFFIC	846	85	2,150	440	1,979	1,979	400	195	–
COMMUNITY SAFETY & SECURITY	SECURITY SERVICES	–	–	–						
ECONOMIC DEVELOPMENT & TOURISM	INDUSTRIAL & TOURISM MARKETING	–	–	–						
ECONOMIC DEVELOPMENT & TOURISM	BEACHES	236	445	788	1,990	1,403	1,403	550	100	100
ECONOMIC DEVELOPMENT & TOURISM	CARAVAN PARKS	69	25	–				300	100	
ECONOMIC DEVELOPMENT & TOURISM	CHALETS	5	250	340	300	322	322	80	600	
GOVERNANCE & COMMUNICATION	MUNICIPAL MANAGER : ADMIN	26	11	37				–	500	–
GOVERNANCE & COMMUNICATION	COUNCIL : GENERAL EXPENSES	89	69	182	1,400	110	110	12		
GOVERNANCE & COMMUNICATION	CUSTOMER CARE	15	–	–						
GOVERNANCE & COMMUNICATION	MANAGER CORPORATE SERV : ADMIN	218	56	1,495	779	683	683	39	540	640
GOVERNANCE & COMMUNICATION	HUMAN RESOURCES	35	53	38	6	33	33	139	23	53
GOVERNANCE & COMMUNICATION	LIBRARIES	74	13	147	83	163	163	320		
GOVERNANCE & COMMUNICATION	LIBRARIES:D'ALMEIDA					10	10	9		
GOVERNANCE & COMMUNICATION	LIBRARIES :ELLEN VAN RENSBURG	–	2	23	10	2	2	13		60
GOVERNANCE & COMMUNICATION	LIBRARIES :HARTENBOS	–	6	16	2			48		
GOVERNANCE & COMMUNICATION	LIBRARIES :KWA-NONQABA	–	50	1						
GOVERNANCE & COMMUNICATION	SOCIO-ECON.PLANNING/DEVELOPM.	95	–	–		3,501	3,501	2,109	20	–
GOVERNANCE & COMMUNICATION	MANAGER FINANCIAL SERV : ADMIN	221	129	134	143	640	640	24	50	60
GOVERNANCE & COMMUNICATION	ASSESSMENT RATES	1,801	–	–						
GOVERNANCE & COMMUNICATION	COMPUTER CENTRE	201	1,938	493	515	854	854	2,398	353	350
GOVERNANCE & COMMUNICATION	PAYROLL MANAGEMENT	66	–	–						
GOVERNANCE & COMMUNICATION	SUPPLY CHAIN MANAGEMENT	14	23	107	47	47	47	41	–	–
GOVERNANCE & COMMUNICATION	VALUATIONS	–	2	–				153	153	100
GOVERNANCE & COMMUNICATION	MANAGER CIVIL SERV : ADMIN	130	10	3	130	158	158	160	22	10
GOVERNANCE & COMMUNICATION	MANAGER COMMUNITY SERV : ADMIN	–	–	–	286	233	233	140		
GOVERNANCE & COMMUNICATION	CLEANSING: REFUSE REMOVAL	–	51	627	12	12	12	560	–	–
GOVERNANCE & COMMUNICATION	CLEANSING: TRANSFER STATIONS	–	25	86						
GOVERNANCE & COMMUNICATION	FIRE BRIGADE &RESCUE SERVICES	–	861	200	50	50	50	1,435	575	45
GOVERNANCE & COMMUNICATION	ELECTRICITY: DISTRIBUTION	–	18,651	954	820	220	220	400	220	100
GOVERNANCE & COMMUNICATION	ELECTRICITY ADMINISTRATION	–	17	120	170	170	170	100	35	35
GOVERNANCE & COMMUNICATION	MUNICIPAL BUILDINGS & LAND	–	23	3,900	495	623	623	25	–	

**RECONCILIATION OF IDP & BUDGET: CAPITAL EXPENDITURE (Continued)**

Strategic Objective	Goal	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand										
GOVERNANCE & COMMUNICATION	MUNICIPAL POLICE & TRAFFIC	–	677	325	622	615	615	915	–	480
GOVERNANCE & COMMUNICATION	SPORT GROUNDS	–	–	200	200	65	65	368		
GOVERNANCE & COMMUNICATION	PARKS & RECREATION	–	1,094	876	1,145	741	741	75	–	
GOVERNANCE & COMMUNICATION	SEWERAGE : RETIC SERV-EXTERNAL	–	–	30	589	10	10			
GOVERNANCE & COMMUNICATION	SEWERAGE : PURIF SERV-REGIONAL PL					147	147	210	85	140
GOVERNANCE & COMMUNICATION	SEWERAGE : RETIC SERV-NETWORK					278	278	40	45	230
GOVERNANCE & COMMUNICATION	STREETS	–	233	918	1,002	1,002	1,002	1,210	805	480
GOVERNANCE & COMMUNICATION	TOWN HALL & COMMUNITY HALLS	–	776	150	105	165	165	120	61	
GOVERNANCE & COMMUNICATION	TOWN PLAN & BUILDING CONTROL	–	200	110	90	80	80	20	20	20
GOVERNANCE & COMMUNICATION	HUMAN SETTLEMENT							415		
GOVERNANCE & COMMUNICATION	WATER : EXTERNAL SERVICES	–	500	40	971	738	738			
GOVERNANCE & COMMUNICATION	WATER : DISTRIBUTION SERVICES					167	167	1,070	575	670
GOVERNANCE & COMMUNICATION	WATER :PURIFICATION WORKS-KLEIN BRAK					10	10	10	40	10
GOVERNANCE & COMMUNICATION	PLANTATIONS							417		
GOVERNANCE & COMMUNICATION	CHALETS :DE BAKKE	–	12	70	200	178	178	200	200	200
LAND & HOUSING	HUMAN SETTLEMENT	9,197	153	3,847		6,173	6,173	14,800	15,017	
INFRASTRUCTURE PROVISION	ELECTRICITY DISTRIBUTION	9,137	821	24,915	30,170	29,932	29,932	18,020	21,750	26,000
INFRASTRUCTURE PROVISION	MUNICIPAL BUILDINGS & LAND	629	560	–						
INFRASTRUCTURE PROVISION	MAIN ROADS	–	533	–						
INFRASTRUCTURE PROVISION	STORMWATER DRAINAGE	20,006	18,057	8,000	1,140	4,305	4,305	4,775	6,150	6,000
INFRASTRUCTURE PROVISION	STREETS	5,536	13,094	28,250	18,296	21,788	21,788	33,367	19,705	18,142
INFRASTRUCTURE PROVISION	SEWERAGE	6,289	12,002	14,056	16,956	17,434	17,434	16,625	17,140	21,040
INFRASTRUCTURE PROVISION	WATER	28,032	27,100	46,561	144,499	157,594	157,594	5,270	26,866	28,470
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING	1,552	–	–				3,460	1,800	3,000
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING :REFUSE REMOVAL SERV	–	–	840	2,972	1,945	1,945			
COMMUNITY DEVELOPMENT AND HEALTH	CLEANSING :TRANSFER STATION	–	–	41	200					
COMMUNITY DEVELOPMENT AND HEALTH	MUNICIPAL MANAGER : ADMIN							1,500		
COMMUNITY DEVELOPMENT AND HEALTH	TOWN HALL & COMMUNITY HALLS					219	219	230	40	–
SPORT, RECREATION & CULTURE	PLANTATIONS	2	–	–						
SPATIAL & ENVIRONMENTAL AFFAIRS	TOWN PLAN & BUILDING CONTROL	59	144	–						
SPORT, RECREATION & CULTURE	PARKS & RECREATION	536	–	208	531	287	287	150		
SPORT, RECREATION & CULTURE	PARKS:HARRY GIDDY PARK					4	4	31		
SPORT, RECREATION & CULTURE	PUBLIC CONVENIENCES	–	–	–						
SPORT, RECREATION & CULTURE	SPORT GROUNDS	923	1,538	3,321	3,040	2,958	2,958	2,620	375	
		87,792	100,502	146,105	233,346	260,538	260,538	116,021	114,290	106,535

### 7.3. Budget-related Policies overview and amendments

#### OVERVIEW OF BUDGET-RELATED POLICIES

Proper budgets are prepared in accordance with approved policies. A budget-related policy is a municipal policy affecting or affected by the annual budget of the municipality. These policies are necessary for effective financial management and the achievement of priorities and strategic goals of the community. The budget-related policies are reviewed annually during the budget preparation process.

Below is a list of the budget-related policies, including the purpose, last approval date of the policy and if any amendments need to be approved by council.

<b>Policy name</b>	<b>Purpose of Policy (what is included in the policy)</b>	<b>Last approved</b>	<b>Amendments to be approved (YES/NO)</b>
<b>Rates Policy</b>	Prescribes uniform rates structures to give effect to its strategic objectives in terms of the IDP and Budget requirements	28/05/10	YES
<b>Tariff Policy</b>	Prescribes uniform tariff structures on the levying of fees for municipal services provided	28/05/10	YES
<b>Customer care, Indigent, Credit control, Debt collection and Tampering policy</b>	Sets a revenue collection target and outlines how the municipality will act against defaulters ; Specifies the framework for providing relief from the burden of rates and tariffs to registered or otherwise identified indigents	28/05/10	YES
<b>Cash Management and Investments policy</b>	Deals with interest earned on investments and with raising both short and long-term debt	28/05/10	YES
<b>Asset management policy</b>	Includes capitalisation benchmarks, depreciation norms, and maintenance requirements	28/05/10	YES
<b>Funding and Reserve policy</b>	Includes policy on contributions to and withdrawals from funds and reserves, utilisation of unappropriated operating surpluses	28/05/10	NO
<b>Debt and Borrowing policy</b>	This policy provides for the municipality to obtain short- and long-term debt and set out all conditions under which the municipality will be entitled to obtain such debt	12/08/10	NO
<b>Expenditure policy</b>	Guidelines on expenditure procedures, stipulations of payments, process to follow when unauthorised, irregular, fruitless & wasteful expenditure occurs	New	YES
<b>Virement policy</b>	The process of transferring an approved budgetary provision from one operating cost element or capital project to another during a municipal financial year	28/05/10	NO
<b>Supply Chain Management Policy</b>	Demand, acquisition, disposal and logistics around the procurement of goods and services	09/12/10	YES

The above-mentioned draft policies are attached to the budget documentation as Annexure B.

## KEY AMENDMENTS TO BUDGET-RELATED POLICIES

The additions to the policies are in bold and underline whilst the deletion are in brackets on the specific policies in Annexure B.

The following highlights the key amendments to the budget-related policies:

### \* Rates Policy

- Paragraph 8(e): The rebate for properties which qualify as Public Infrastructure is changed from 30% to 75%.
- Paragraph 12: Paragraph on Interim valuation debits removed.

### \* Tariff Policy

- Paragraph 9(f)&(g): Added specifications on deposits
- Paragraph 12(d): Added : Employees of Municipality not to get involved in disputes between owners
- Paragraph 11: Tariff structure change
- Paragraph 14(1)(a): Added specification of single phase meters
- Paragraph 14(1)(e): Both credit and prepaid meters is on a two-part domestic tariff
- Paragraph 14(2): Both credit and prepaid meters is on a two-part commercial tariff
- Paragraph 15(3): Added that an Objection Committee for surcharges on water losses be established
- Paragraph 15(5)(ix): Added “buying water at Fire Brigade” to list of fixed tariff charges
- Paragraph 16(9): Added that a refuse fee will be charged for each dwelling on a property
- Paragraph 17(1)(ii): Removed the sewerage service of bucket removal system

### \* Customer Care, Indigent and Credit Control and Debt Collection Policy

- Definitions: Adjusted definition of “consumer”
- Definitions: Added definition of Accounting Officer and removed definition of Municipal Manager

### \* Cash Management and Investment Policy

- Paragraph 7.8.2.5: Removed Legal Tender under payment methods
- Paragraph 8.3.1: Credit worthy rating requirements changed
- Paragraph 8.6.1: Credit worthy rating requirements changed
- Paragraph 8.9.1: Quotations should be invited from ALL approved financial institutions and not at least three quotations
- Paragraph 8.9.2: Telephonic quotations should be confirmed by fax

### \* Asset Management Policy

- Paragraph 8.3.6: Remove “Asset treated as inventory” under asset classification
- Paragraph 8.9: Remove all points on revaluation reserve (refer 8.9.3, 8.9.5 and 8.9.6)
- Paragraph 8.11.5/7: Change in property transfers to and from investment property (refer to 8.11.5 (a)(c)(d) and 8.11.7)

- Paragraph 8.18: The amount in reduction due to impairment of assets should be recognised as an expense immediately, cannot be charged to Revaluation Reserve.
- List of Useful lives: Removed list of useful lives on pages 33 to 36 of policy, replaced with list of useful lives in annexure to policy

\* Supply Chain Management Policy

- Paragraph 2(2)(c): When disposing or letting of fixed assets, subject to Sections 14 and 90 of the Act
- Paragraph 3(2): Added : If amendments to SCM policy differs from model policy by NT, the accounting officer must ensure that amendments comply with Regulations
- Paragraph 5(3): Officials must report on all final awards made and not only awards above R30 000
- Paragraph 5(4)(b): Written report to the CFO/Senior Manager for relevant bid in case of an award by a manager
- Paragraph 10(2): Added specifications for the demand management system
- Paragraph 15(2)(e): Added : Only one quotation when procuring goods/services to a value less than petty cash threshold
- Paragraph 18(c-e): Added procedures for procuring goods/services through written quotations
- Paragraph 22(3): Removed that bids that are advertised on CIDB's website do not have to be advertised in newspaper
- Paragraph 23(1): Added that bids received after closing time should not be considered and must be returned
- Paragraph 23(1)(e): Added that bids received late will not be considered
- Paragraph 36(5)(vi): Added that vehicles serviced by agent i.t.o. warranty/service plan of the vehicle is not deemed a deviation from SCM processes
- Paragraph 39(1): Added detail of what information should be in contracts entered into in the tender process
- Paragraph 41: Added detail of what information should be incorporated into an effective system of logistics management
- Paragraph 54: Added section on Construction Industry Development Board



#### **7.4. Overview of Budget Assumptions**

Certain broad assumptions had been made on which the budget is based for the MTREF. These assumptions are based on external factors but also internal trends and factors. These assumptions provide a framework for setting priorities, determining service levels and allocating limited financial resources. This section provides a summary of the assumptions used in preparing the budget for the 2011/12 MTREF period.

#### **EXTERNAL FACTORS**

The economic outlook is still bleak and this can be seen from the rising unemployment, very low interest rates and businesses closing down.

When framing the budget, this had a direct impact on the budget as the trends in income growth statistics are still very low, indigent and poor households are growing and property markets not re-acting to the low interest rates.

All of these factors have a direct bearing on the budget as certain income projectors did not realize.

Another external factor which plays a major roll in the framing of our budget, is the drought situation in the Southern Cape Region. Although the drought situation has improved, it had a large term negative effect on water consumption patterns. This again impact on tariffs as the projected income was very much lower as before. This affected the increase in water tariffs. The actual consumption patterns will have to be monitored on an ongoing basis to determine whether the budgeted figures will be realized.

#### **CREDIT RATING OUTLOOK**

No credit rating was done by any credit rating company, but the financial position of the municipality and management of our financial affairs are sound. A good rating can be expected that will favour Council if they want any bids from the open market for funding of infrastructure assets. Credit rating can be asked at a later stage.

#### **INTEREST RATES FOR BORROWING AND INVESTMENTS**

Council has resolved to take up an external loan for funding some of its projects. A total loan of R30 million will be taken up. The budget do provide for the interest on such a loan.

Investments made with various financial institutions are strictly in compliance with the Municipal Finance Management Act and the municipality's Cash Management and Investment Policy. The average rate of return on investments for the 2010/2011 year is 5.8%, and is estimated to be 5.5% for the 2011/2012 financial year.

## RATES, TARIFFS, CHARGES AND TIMING OF COLLECTION

The following table shows the average increases in rates and tariff charges over the 2011/12 MTREF period:

	2011/12	2012/13	2013/14
Property Rates*	12.6%	10%	10%
Electricity	20.38%	15%	15%
Water**	10%	12%	14%
Sewerage	6%	6%	7%
Refuse	10%	10%	10%

\* Property Rates increases vary as per structure (refer page 15 of Annexure A (Tariff List))

\*\* Water Basic increase with 10%, consumption and sundry tariffs increases as per pages 7-11 of Annexure A

The billing of the Property Rates is done on an annual basis during the month of July. All other tariff charges are billed on a monthly basis.

## COLLECTION RATES FOR EACH REVENUE SOURCE AND CUSTOMER TYPE

The average collection rate is the cash collected from consumers expressed as a percentage of the amount billed and is currently 95.2%.

The average monthly collection rate for 2010/11 and the projections for the 2011/12 year are as follows:

	2010/11	2011/12
Property Rates (Average % of Monthly and Annual payments)	96.6%	94%
Electricity – Domestic consumers	97.8%	98%
Water	94.3%	92%
Sewerage (Average % of Monthly and Annual payments)	91.7%	88%
Refuse	95.7%	96%

As a result of negotiations with government departments, a higher collection rate is experienced. Good progress has also been made with the collection of old outstanding debts.

## PRICE MOVEMENTS ON SPECIFICS

Purchase of bulk electricity from Eskom is budgeted to amount to R137 213 203 in the 2010/11 financial year, which is an estimated increase of 26%. Estimated growth for the 2012/13 and 2013/14 years is 20%.

The projected increase in bulk water purchases is estimated at 25% to a budget of R10 million in the 2011/12 financial year. Estimated growth for the 2012/13 year is 12% and 11.6% for the 2013/14 year.

### AVERAGE SALARY INCREASES

The personnel budget is calculated by reviewing the individual posts that is currently filled in the municipal organogram, as well as previous years' expenditure on the salary budget. Provision is also made for the filling of vacant posts during the 2010/11 financial year.

The following table indicates the average increase in gross personnel wages and salaries and councillor allowances for the 2011/12 MTREF:

	2011/12	2012/13	2013/14
Councillor allowances	14%	8%	9%
Senior managers	7%	8%	8%
Other personnel	7.5%	7%	8%

The percentage increase for other personnel is not only the increase in wages and salaries, but also includes the budget for new and vacant posts to be filled during the 2011/12 year. The budget provides for a nett increase in salaries and wages of 7.5% for the 2011/12 financial year.

### INDUSTRIAL RELATIONS CLIMATE AND CAPACITY BUILDING

The rendering of cost-effective and sustainable services to the entire community with diligence and empathy, is one of the municipality's mission statements. In order to render this effective and efficient service the municipality is committed to invest in the staff of the municipality.

The municipality has therefore made available an amount of R908 500 for training in the 2011/12 budget. Budgets to the amount of R999 350 and R1 119 272 has been made available for the 2012/13 and 2013/14 years respectively.

The municipality also participates in the Municipal Finance Management Internship Programme and has employed five interns undergoing training in various sections of the Finance directorate.

### CHANGING DEMAND CHARACTERISTICS (DEMAND FOR SERVICES AND FREE OR SUBSIDISED BASIC SERVICES)

The growth in Mossel Bay has slowed down during the 2010 and 2011 financial years in terms of business activities.

In the property market there was an ongoing drop in the building of new houses and developments, as a result of the economic climate. There is however signs that the demand for credit remains weak and that credit extended to households have started to increase.

Mossel Bay is home to a number of poor households which causes unending housing and socio-economic backlogs. This is caused by the general influx of people from neighbouring towns, provinces and farms to seek employment and change their livelihood.

Mossel Bay, as part of the Southern Cape Region, is currently experiencing the worst drought in 132 years and was declared a disaster area in November 2009 through the appropriate procedures as stipulated in the relevant legislation. Strict water restrictions were imposed on consumers that had lead to less water consumption and ultimately fewer revenue.

**ABILITY OF MUNICIPALITY TO SPEND AND DELIVER ON PROGRAMS**

Capital project expenditure for the 2009/10 financial year was 86.5% of the total capital budget. The capital spending is closely monitored by ways of monthly cash flows and monthly reporting to Council on capital expenditure. The projected capital spending for the 2010/11 financial year is 92%.

It is anticipated that 98% of the operating budget will be spent in the 2010/11 financial year.

### 7.5. Overview of Budget Funding

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- \* Realistically anticipated revenue to be collected,
- \* Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- \* Borrowed funds, but only for the capital budget referred to in section 17(2).

Achievement of this requirement effectively means that Council must approve a balanced, credible and sustainable budget.

A Credible budget is a budget that:

- \* Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality,
- \* Is achievable in terms of agreed service delivery and performance targets,
- \* Contains revenue and expenditure projections that are consistent with current and past performance,
- \* Does not jeopardise the financial viability of the municipality, and
- \* Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A Sustainable budget is a budget which reflects sufficient revenue and adequate corporate stability in order to fund and deliver on service delivery and performance targets.

### FISCAL OVERVIEW

The following table shows the municipality's performance on the 2008/09 and the 2009/10 budgets:

<b>BUDGET</b>	<b>2008/09</b>			<b>2009/10</b>		
	<b>Budget R'000</b>	<b>Budget R'000</b>	<b>Budget R'000</b>	<b>Budget R'000</b>	<b>Actual R'000</b>	<b>% perform</b>
Operating Revenue	R472 322	R449 578	95.2%	R584 507	R629 043	107.6%
Operating Expenditure	R471 107	R405 020	86.0%	R521 577	R634 740	121.7%
Capital Expenditure	R107 447	R100 502	93.5%	R169 703	R146 779	86.5%

The above table shows that the municipality collected 95.2% of its budgeted Revenue in the 2008/09 financial year and 107.6% during the 2009/10 financial year. An amount of R97,7m for the revaluation of Investment property was not budgeted for and is a non-cash entry. The budgeted contributions for R22,3 million from the Accumulated Surplus was not necessary. The contributions from External services was under by an amount R1 657 002. If these transactions are taken into account, the revenue performance for the 2009/10 operating budget is actually 94.5%.

The above table shows that the operating expenditure budget is overspent with 21.7%. However, an amount of R186,4m for the revaluation of Investment property was not budgeted for and is a non-cash entry. An amount of R9,5 million was budgeted for the transfers for Land Sales and Ext. services to the reserves, which was transferred through the Statement of Changes in Net Assets.

An amount of R36,2 million was provided for a contribution to the CRR in the budget, which was transferred through the Statement of Changes in Net Assets and not as a direct contribution. Expenditure to the amount of R7,8 million for Housing top structures did not realise. If these transactions are taken into account, the revenue performance for the 2009/10 operating budget is actually 94.2%.

The capital expenditure budget is mainly funded by own internal funds and grants and subsidies from national and provincial government.

The municipality prepared its 2009/10 Annual Financial Statements in accordance with the applicable GRAP standards and received an unqualified opinion from the Auditor-General.

## FUNDING OF OPERATING AND CAPITAL EXPENDITURE

### Operating Budget:

The table below identifies the sources of funding for the 2011/12 **cash** operating budget:

<i>Source of Revenue</i>	<i>Amount</i>	<i>% of Total Revenue Budget</i>
Property Rates	R 71 689 465	12.9%
Penalties Imposed and Collection Charges	R 2 100 000	0.4%
Service Charges	R 367 072 094	66.3%
Rent of Facilities and Equipment	R 4 246 802	0.8%
Interest Earned – External Investments	R 10 628 600	1.9%
Interest Earned – Outstanding Debtors	R 345 050	0.1%
Fines	R 5 257 750	0.9%
Licences and Permits	R 4 777 650	0.9%
Grants & Subsidies Received - Operating	R 73 330 616	13.2%
Grants & Subsidies Received - Capital	-	0%
Other Revenue	R 14 330 314	2.6%
<b>TOTAL</b>	<b>R 553 778 341</b>	<b>100%</b>

### Capital Budget:

The table below identifies the sources of funding for the 2011/12 capital budget:

<i>Source of Funding</i>	<i>Amount</i>	<i>% of Total Budget</i>
Capital Replacement Reserve (Internal)	R79 028 350	68.1%
Municipal Infrastructure Grant	R14 143 000	12.2%
Municipal Systems Improvement Grant	R 75 000	0.06%
Library Subsidy (Conditional Grant)	R82 000	0.07%
Expanded Public Works Programme	R914 000	0.8%
Recoverable Developer	R1 950 000	1.7%
Public Transport Infrastructure Grant	R805 000	0.7%
Department of Human Settlements	R14 799 891	12.8%
National Electrification Programme	R2 000 000	1.7%
External Loans	R2 223 900	1.9%
<b>TOTAL</b>	<b>R116 021 141</b>	<b>100.0%</b>

**CAPITAL REPLACEMENT RESERVE**

The 2011/12 capital budget is mainly funded from internal funds. The following tables show the breakdown of the Capital Replacement Reserve of the municipality for the 2011/12 MTREF period:

**CAPITAL REPLACEMENT RESERVE**

**BALANCE AS AT 30 JUNE 2010: R 74 208 578**

<b>2010/11</b>	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 30 407 442
- Land Sales	R 8 000 000
- Bulk Services Contributions	R 4 000 000
FINANCING CAPITAL BUDGET (External Loan)	(R 30 000 000)
FINANCING CAPITAL BUDGET (CRR)	(R 80 265 021)

**BALANCE AS AT 30 JUNE 2011: R 36 350 999**

<b>2011/12</b>	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 37 282 282
- Land Sales	R 10 000 000
- Bulk Services Contributions	R 4 000 000
FINANCING CAPITAL BUDGET (CRR)	(R 79 028 350)

**BALANCE AS AT 30 JUNE 2012: R 8 604 931**

<b>2012/13</b>	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 41 917 709
- Land Sales	R 6 000 000
- Bulk Services Contributions	R 3 000 000
FINANCING CAPITAL BUDGET (CRR)	(R 77 837 300)

**BALANCE AS AT 30 JUNE 2013: (R 18 314 660)**

<b>2013/14</b>	
CONTRIBUTIONS:	
- Revenue & Depreciation	R 43 258 333
- Land Sales	R 6 000 000
- Bulk Services Contributions	R 3 000 000
FINANCING CAPITAL BUDGET (External Loan)	(R 30 000 000)
FINANCING CAPITAL BUDGET (CRR)	(R 76 522 600)

**BALANCE AS AT 30 JUNE 2014: (R 12 578 927)**

**CASH BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION**

The following table shows a breakdown of the Cash and investments available and the application of these funds for the 2011/12 MTREF period:

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158
Other current investments > 90 days		(0)	(0)	(0)	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>203,556</b>	<b>201,915</b>	<b>178,743</b>	<b>213,544</b>	<b>213,544</b>	<b>213,544</b>	<b>199,223</b>	<b>211,068</b>	<b>195,158</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		2,915	14,321	13,754	8,988	8,988	8,988	5,683	5,858	6,385
Unspent borrowing										
Statutory requirements	2	2,571	2,952	10,161	10,669	10,669	10,669	11,203	11,427	11,541
Other working capital requirements	3	7,215	32,118	43,008	31,361	29,940	29,940	25,220	28,354	37,984
Other provisions		3,978	10,558	6,425	9,460	9,460	9,460	11,337	13,261	13,924
Long term investments committed	4	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	118,318	111,663	82,691	18,244	43,257	43,257	14,211	(12,708)	(6,973)
<b>Total Application of cash and investments:</b>		<b>134,997</b>	<b>171,612</b>	<b>156,039</b>	<b>78,721</b>	<b>102,314</b>	<b>102,314</b>	<b>67,655</b>	<b>46,191</b>	<b>62,861</b>
<b>Surplus(shortfall)</b>		<b>68,559</b>	<b>30,303</b>	<b>22,705</b>	<b>134,823</b>	<b>111,231</b>	<b>111,231</b>	<b>131,568</b>	<b>164,877</b>	<b>132,297</b>

The above table indicates clearly that the reserves and various other obligations of the municipality is fully cash backed.

The mentioned obligations include:

- Unspent conditional grants
- Current portion of Provisions
- Statutory requirements (E.g. Consumer deposits)
- Other working capital requirements (E.g. Creditors, debtors)

**FUNDING MEASUREMENT**

The following two tables show the various funding measures and whether the budgets are fully funded or not:

Description	MFMA section	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	1	203,556	201,915	178,743	213,544	213,544	213,544	199,223	211,068	195,158
Cash + investments at the yr end less applications - R'000	18(1)b	2	68,559	30,303	22,705	134,823	111,231	111,231	131,568	164,877	132,297
Cash year end/monthly employee/supplier payments	18(1)b	3	9.4	7.1	4.4	5.3	5.0	5.0	4.5	4.3	3.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	61,161	44,296	(5,698)	23,464	146,129	146,129	27,181	12,880	19,695
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	9.2%	5.8%	20.0%	(13.3%)	(6.0%)	10.5%	6.5%	7.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	90.5%	92.2%	88.1%	94.4%	100.3%	100.3%	105.3%	107.7%	103.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	2.2%	3.6%	3.3%	2.9%	2.3%	2.3%	2.5%	2.4%	2.4%
Capital payments % of capital expenditure	18(1)c;19	8	70.0%	98.2%	100.0%	17.1%	15.3%	15.3%	40.7%	47.6%	134.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	1.3%	0.2%	(1.1%)	14.4%	13.1%	13.1%	(0.5%)	0.6%	38.1%
Grants % of Gov't. legislated/gazetted allocations	18(1)a	10							0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	16.0%	42.5%	(32.4%)	0.0%	0.0%	15.8%	9.6%	(19.0%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(21.7%)	79.1%	(50.4%)	0.0%	0.0%	(15.5%)	(19.9%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	4.6%	4.0%	3.0%	3.6%	3.8%	3.8%	4.0%	4.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	26.6%	25.9%	69.1%	26.6%	22.2%	22.2%	13.4%	5.9%	0.0%



Description	MFMA section	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Total Operating Revenue</b>			396,369	461,815	640,008	620,389	710,699	710,699	676,693	725,049	808,439
<b>Total Operating Expenditure</b>			352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745
<b>Operating Performance Surplus/(Deficit)</b>			43,786	44,296	(6,718)	23,464	63,194	63,194	27,181	12,880	19,695
<b>Cash and Cash Equivalents (30 June 2012)</b>									199,223		
<b>Revenue</b>											
% Increase in Total Operating Revenue				15.7%	31.7%	3.8%	(5.1%)	0.0%	14.2%	9.7%	10.8%
% Increase in Property Rates Revenue				12.4%	24.5%	17.8%	0.1%	0.0%	10.9%	10.1%	10.1%
% Increase in Electricity Revenue				23.4%	18.1%	26.4%	(5.6%)	0.0%	21.8%	15.0%	15.0%
% Increase in Property Rates & Services Charges				15.2%	11.8%	26.0%	(7.3%)	0.0%	16.5%	12.5%	13.2%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure				18.4%	54.9%	(7.7%)	8.5%	0.0%	0.3%	9.6%	10.8%
% Increase in Employee Costs				25.5%	20.6%	13.0%	0.3%	0.0%	5.6%	7.7%	8.5%
% Increase in Electricity Bulk Purchases				69.3%	16.3%	37.2%	(9.3%)	0.0%	26.2%	20.0%	20.0%
Average Cost Per Budgeted Employee Position (Remuneration)					180278.6067	195494.2157			225637.0698		
Average Cost Per Councillor (Remuneration)					251353.4209	286564.6087			0		
R&M % of PPE			4.6%	4.0%	3.0%	3.6%	3.8%	3.8%	4.1%	4.1%	4.2%
Asset Renewal and R&M as a % of PPE			4.0%	3.0%	4.0%	3.0%	4.0%	4.0%	3.0%	3.0%	3.0%
Debt Impairment % of Total Billable Revenue			2.2%	3.6%	3.3%	2.9%	2.3%	2.3%	2.5%	2.4%	2.4%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)			57,735	69,654	100,840	106,575	97,360	97,360	80,978	79,887	79,723
Borrowing (R'000)			26,707	3,929	—	100,475	130,475	130,475	2,224	390	370
Grant Funding and Other (R'000)			3,350	26,919	45,265	26,296	32,703	32,703	32,819	34,013	26,442
Internally Generated funds % of Non Grant Funding			68.4%	94.7%	100.0%	51.5%	42.7%	42.7%	97.3%	99.5%	99.5%
Borrowing % of Non Grant Funding			31.6%	5.3%	0.0%	48.5%	57.3%	57.3%	2.7%	0.5%	0.5%
Grant Funding % of Total Funding			3.8%	26.8%	31.0%	11.3%	12.6%	12.6%	28.3%	29.8%	24.8%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)			87,792	100,502	146,105	233,346	260,538	260,538	116,021	114,290	106,535
Asset Renewal			19,825	13,535	29,332	14,496	16,163	16,163	11,560	7,980	4,950
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other			90.5%	92.2%	88.1%	94.4%	100.3%	100.3%	105.3%	107.7%	103.5%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0
<b>Borrowing</b>											
Borrowing to Asset Ratio			0.2%	0.2%	0.1%	1.8%	1.8%	1.8%	1.7%	1.4%	3.2%
Credit Rating (2009/10)									0		
Capital Charges to Operating			0.2%	0.2%	0.2%	(0.4%)	(0.3%)	(0.3%)	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure			1.3%	0.2%	(1.1%)	14.4%	13.1%	13.1%	(0.5%)	0.6%	38.1%
<b>Reserves</b>											
Surplus/(Deficit)			68,559	30,303	22,705	134,823	111,231	111,231	131,568	164,877	132,297
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share			13.2%	16.3%	8.3%	7.4%	7.4%	7.4%	7.6%	7.8%	7.8%
Free Services as a % of Operating Revenue (excl operational transfers)			2.9%	3.7%	3.3%	3.3%	3.6%	3.6%	3.1%	2.8%	2.7%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue			396,369	461,815	640,008	620,389	710,699	710,699	676,693	725,049	808,439
Total Operating Expenditure			352,584	417,519	646,726	596,925	647,505	647,505	649,511	712,168	788,745
Surplus/(Deficit) Budgeted Operating Statement			43,786	44,296	(6,718)	23,464	63,194	63,194	27,181	12,880	19,695
Surplus/(Deficit) Considering Reserves and Cash Backing			112,344	74,598	15,987	158,288	174,425	174,425	158,749	177,757	151,992
MTREF Funded (1) / Unfunded (0)			1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗			✓	✓	✓	✓	✓	✓	✓	✓	✓

## SOURCES OF FUNDING

### Rates, tariffs and other charges

Please refer to Annexure A with the total Rates, Tariffs and other sundry charges for the 2011/12 financial year.

### New Borrowing

Borrowing - Categorised by type R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		797	576	573	444	444	444	345	323	546
Long-Term Loans (non-annuity)					30,000	30,000	30,000	27,000	22,000	52,000
Local registered stock										
Installment Credit										
Financial Leases		1,983	2,419	1,522	1,920	1,920	1,920	1,571	1,869	1,701
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	2,780	2,995	2,096	32,364	32,364	32,364	28,916	24,192	54,247
<b>Total Borrowing</b>	1	2,780	2,995	2,096	32,364	32,364	32,364	28,916	24,192	54,247

### Investments

## INVESTMENTS BY TYPE

Investment type R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		196,000	203,000	187,000	208,000	208,000	208,000	194,000	205,000	190,000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	196,000	203,000	187,000	208,000	208,000	208,000	194,000	205,000	190,000
<b>Consolidated total:</b>		196,000	203,000	187,000	208,000	208,000	208,000	194,000	205,000	190,000

**INVESTMENTS BY MATURITY**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months			Rand thousand	
<b>Parent municipality</b>						
Nedcor: 03/7881005807/000099		6 Months	Short-term	25 July 2011	10,000	287
ABSA : New Investments		12 Months	Short-term		40,000	2,090
FNB : New Investments		12 Months	Short-term		34,000	1,473
NEDCOR : Re-investment		12 Months	Short-term		10,000	541
NEDCOR : New Investments		12 Months	Short-term		30,000	1,908
INVESTEC : New Investments		12 Months	Short-term		30,000	1,800
STANDARD BANK : New Investments		12 Months	Short-term		40,000	2,530
<b>Municipality sub-total</b>					<b>194,000</b>	<b>10,629</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	1				<b>194,000</b>	<b>10,629</b>

Operating Grant allocations

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>17,956</b>	<b>24,490</b>	<b>28,023</b>	<b>35,982</b>	<b>36,232</b>	<b>36,232</b>	<b>42,908</b>	<b>42,965</b>	<b>45,739</b>
Local Government Equitable Share		17,056	23,590	26,678	34,232	34,232	34,232	36,943	40,915	43,589
Finance Management		500	500	750	1,000	1,151	1,151	1,250	1,250	1,250
Municipal Systems Improvement		400	400	343	750	849	849	715	800	900
Flood Damage - MIG		–	–	–	–	–	–	–	–	–
Alternative water supply plan		–	–	–	–	–	–	–	–	–
Provincial Management Support Grant		–	–	252	–	–	–	–	–	–
Electricity demand side management grant		–	–	–	–	–	–	4,000	–	–
<b>Provincial Government:</b>		<b>10,735</b>	<b>21,497</b>	<b>17,202</b>	<b>22,500</b>	<b>33,642</b>	<b>33,642</b>	<b>27,813</b>	<b>25,835</b>	<b>21,978</b>
Housing		10,012	19,804	16,033	18,708	29,647	29,647	26,872	25,700	21,838
Health subsidy		282	–	–	–	–	–	–	–	–
Community Development Workers		–	–	122	125	238	238	130	135	140
Libraries		309	501	799	801	801	801	761	–	–
Proclaimed Roads		–	811	–	50	50	50	50	–	–
Subsidy - Housing Trust Fund		–	–	–	2,800	2,800	2,800	–	–	–
Subsidy - Home owners education		–	–	147	–	–	–	–	–	–
Subsidy - Contract Register		–	–	–	–	–	–	–	–	–
Subsidy - Imbizo Office of Premier		–	–	–	–	–	–	–	–	–
Subsidy - Mobility strategy projects		–	–	–	–	–	–	–	–	–
Subsidy - Repair water leakages		–	371	87	–	89	89	–	–	–
Subsidy - Rezoning scheme charts		–	–	–	–	–	–	–	–	–
Subsidy - Spatial Planning		125	–	–	–	–	–	–	–	–
Subsidy - New settlers		7	10	13	16	16	16	–	–	–
<b>District Municipality:</b>		<b>3,538</b>	<b>355</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Eden District Municipality		3,538	355	–	–	–	–	–	–	–
<b>Other grant providers:</b>		<b>422</b>	<b>591</b>	<b>634</b>	<b>985</b>	<b>5,588</b>	<b>5,588</b>	<b>900</b>	<b>990</b>	<b>1,109</b>
SETA		239	452	563	900	970	970	900	990	1,109
Masimambane		–	–	–	–	–	–	–	–	–
Public Contributions		183	140	71	85	4,618	4,618	–	–	–
<b>Total Operating Transfers and Grants</b>	5	<b>32,651</b>	<b>46,934</b>	<b>45,859</b>	<b>59,467</b>	<b>75,462</b>	<b>75,462</b>	<b>71,621</b>	<b>69,790</b>	<b>68,826</b>

Capital Grant allocations

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>1,923</b>	<b>33,150</b>	<b>55,359</b>	<b>26,296</b>	<b>124,380</b>	<b>124,380</b>	<b>17,132</b>	<b>18,196</b>	<b>25,642</b>
Municipal Infrastructure (MIG)		1,923	28,822	17,497	11,759	13,974	13,974	14,143	17,196	18,142
Public Works				–	1,037	587	587	914		
Water Affairs		–	2,828		–	–	–			
Energy Efficiency & Demand Side Management					6,000	7,066	7,066			
National Electrification Programme		–	–	3,305	7,500	7,435	7,435	2,000	1,000	7,500
Department of Mineral & Energy				15,000	–	–	–			
Department of Social Services		–	1,500	3,000	–	3,141	3,141			
Municipal Systems Improvement				57	–	152	152	75		
Drought Relief Grant				16,500	–	92,000	92,000			
Department of Transport		–	–			–	–			
Finance Management						25	25			
<b>Provincial Government:</b>		<b>2,807</b>	<b>2,410</b>	<b>1,537</b>	<b>–</b>	<b>6,467</b>	<b>6,467</b>	<b>15,687</b>	<b>15,817</b>	<b>800</b>
Housing		107	2,410	1,537		6,173	6,173	14,800	15,017	–
Other		2,700	–			294	294	887	800	800
<b>District Municipality:</b>		<b>5,004</b>	<b>–</b>	<b>23,520</b>	<b>–</b>	<b>1,862</b>	<b>1,862</b>	<b>–</b>	<b>–</b>	<b>–</b>
Eden District Municipality		5,004	–	23,520		1,862	1,862			
<b>Other grant providers:</b>		<b>1,067</b>	<b>161</b>	<b>–</b>	<b>–</b>	<b>14,935</b>	<b>14,935</b>	<b>1,950</b>	<b>2,050</b>	<b>3,200</b>
Public Contributions		979	161			14,935	14,935	1,950	2,050	3,200
Masibambani		88	–			–	–			
<b>Total Capital Transfers and Grants</b>	5	<b>10,801</b>	<b>35,721</b>	<b>80,417</b>	<b>26,296</b>	<b>147,644</b>	<b>147,644</b>	<b>34,769</b>	<b>36,063</b>	<b>29,642</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>43,453</b>	<b>82,655</b>	<b>126,276</b>	<b>85,763</b>	<b>223,105</b>	<b>223,105</b>	<b>106,390</b>	<b>105,853</b>	<b>98,468</b>

## 7.6. Expenditure on allocations and grant programmes

### Operating Grant expenditure

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>17,849</b>	<b>25,020</b>	<b>28,065</b>	<b>35,982</b>	<b>36,232</b>	<b>36,232</b>	<b>42,908</b>	<b>42,965</b>	<b>45,739</b>
Local Government Equitable Share		17,056	23,590	26,678	34,232	34,232	34,232	36,943	40,915	43,589
Finance Management		773	715	854	1,000	1,151	1,151	1,250	1,250	1,250
Municipal Systems Improvement		20	716	283	750	849	849	715	800	900
Flood Damage - MIG		—	—	—	—	—	—	—	—	—
Alternative water supply plan		—	—	—	—	—	—	—	—	—
Provincial Management Support Grant		—	—	250	—	—	—	—	—	—
Electricity demand side management grant		—	—	—	—	—	—	4,000	—	—
<b>Provincial Government:</b>		<b>10,227</b>	<b>18,043</b>	<b>21,333</b>	<b>22,500</b>	<b>33,642</b>	<b>33,642</b>	<b>27,813</b>	<b>25,835</b>	<b>21,978</b>
Housing		8,826	16,379	20,291	18,708	29,647	29,647	26,872	25,700	21,838
Health subsidy		282	—	—	—	—	—	—	—	—
Community Development Workers		—	—	7	125	238	238	130	135	140
Libraries		309	501	799	801	801	801	761	—	—
Proclaimed Roads		725	811	—	50	50	50	50	—	—
Subsidy - Housing Trust Fund		—	—	—	2,800	2,800	2,800	—	—	—
Subsidy - Home owners education		—	—	145	—	—	—	—	—	—
Subsidy - Contract Register		—	—	—	—	—	—	—	—	—
Subsidy - Imbizo Office of Premier		—	—	—	—	—	—	—	—	—
Subsidy - Mobility strategy projects		—	—	—	—	—	—	—	—	—
Subsidy - Repair water leakages		—	291	77	—	89	89	—	—	—
Subsidy - Rezoning scheme charts		—	—	—	—	—	—	—	—	—
Subsidy - Spatial Planning		75	50	—	—	—	—	—	—	—
Subsidy - New settlers		11	10	13	16	16	16	—	—	—
<b>District Municipality:</b>		<b>3,818</b>	<b>393</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Eden District Municipality		3,818	393	—	—	—	—	—	—	—
<b>Other grant providers:</b>		<b>800</b>	<b>712</b>	<b>852</b>	<b>985</b>	<b>5,588</b>	<b>5,588</b>	<b>900</b>	<b>990</b>	<b>1,109</b>
SETA		644	606	749	900	970	970	900	990	1,109
Masimambane		—	—	—	—	—	—	—	—	—
Public Contributions		156	106	104	85	4,618	4,618	—	—	—
<b>Total operating expenditure of Transfers and Grants</b>		<b>32,695</b>	<b>44,168</b>	<b>50,249</b>	<b>59,467</b>	<b>75,462</b>	<b>75,462</b>	<b>71,621</b>	<b>69,790</b>	<b>68,826</b>

Capital Grant expenditure

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>1,923</b>	<b>33,150</b>	<b>55,359</b>	<b>26,296</b>	<b>124,380</b>	<b>124,380</b>	<b>17,132</b>	<b>18,196</b>	<b>25,642</b>
Municipal Infrastructure (MIG)		1,923	28,822	17,497	11,759	13,974	13,974	14,143	17,196	18,142
Public Works				–	1,037	587	587	914		
Water Affairs		–	2,828		–	–	–			
Energy Efficiency & Demand Side Management					6,000	7,066	7,066			
National Electrification Programme		–	–	3,305	7,500	7,435	7,435	2,000	1,000	7,500
Department of Mineral & Energy				15,000	–	–	–			
Department of Social Services		–	1,500	3,000	–	3,141	3,141			
Municipal Systems Improvement				57	–	152	152	75		
Drought Relief Grant				16,500	–	92,000	92,000			
Department of Transport		–	–			–	–			
Finance Management						25	25			
<b>Provincial Government:</b>		<b>2,807</b>	<b>2,410</b>	<b>1,537</b>	<b>–</b>	<b>6,467</b>	<b>6,467</b>	<b>15,687</b>	<b>15,817</b>	<b>800</b>
Housing		107	2,410	1,537		6,173	6,173	14,800	15,017	–
Other		2,700	–			294	294	887	800	800
<b>District Municipality:</b>		<b>5,004</b>	<b>–</b>	<b>23,520</b>	<b>–</b>	<b>1,862</b>	<b>1,862</b>	<b>–</b>	<b>–</b>	<b>–</b>
Eden District Municipality		5,004	–	23,520		1,862	1,862			
<b>Other grant providers:</b>		<b>1,067</b>	<b>161</b>	<b>–</b>	<b>–</b>	<b>14,935</b>	<b>14,935</b>	<b>1,950</b>	<b>2,050</b>	<b>3,200</b>
Public Contributions		979	161			14,935	14,935	1,950	2,050	3,200
Masibambani		88	–			–	–			
<b>Total capital expenditure of Transfers and Grants</b>		<b>10,801</b>	<b>35,721</b>	<b>80,417</b>	<b>26,296</b>	<b>147,644</b>	<b>147,644</b>	<b>34,769</b>	<b>36,063</b>	<b>29,642</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>43,496</b>	<b>79,889</b>	<b>130,666</b>	<b>85,763</b>	<b>223,105</b>	<b>223,105</b>	<b>106,390</b>	<b>105,853</b>	<b>98,468</b>

**7.7. Transfers and grants made by the municipality**

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>										
<b>Transfers to other municipalities</b>										
<i>NIL</i>	1									
<b>TOTAL TRANSFERS TO MUNICIPALITIES:</b>		-	-	-	-	-	-	-	-	-
<b>Transfers to Entities/Other External Mechanisms</b>										
<i>NIL</i>	2									
<b>TOTAL TRANSFERS TO ENTITIES/EMS'</b>		-	-	-	-	-	-	-	-	-
<b>Transfers to other Organs of State</b>										
<i>NIL</i>	3									
<b>TOTAL TRANSFERS TO OTHER ORGANS OF STATE:</b>		-	-	-	-	-	-	-	-	-
<b>Grants to Organisations/ Groups of Individuals</b>										
<i>Grants &amp; Donations-Public</i>	4	397	286	523	650	536	536	550	594	642
<i>Industrial/Tourism-Sect.21 Co.</i>		2,185	2,349	2,490	2,665	2,665	2,665	2,814	3,011	3,237
<b>TOTAL GRANTS TO ORGANISATIONS/GROUPS OF INDIVIDUALS:</b>		2,582	2,634	3,012	3,315	3,200	3,200	3,364	3,605	3,879
<b>TOTAL TRANSFERS AND GRANTS</b>	5	2,582	2,634	3,012	3,315	3,200	3,200	3,364	3,605	3,879



**7.8. Councillor allowances and employee benefits****VACANT POSTS TO BE FILLED**

<b>VACANT POSTS 2010/2011 - M1</b>					
<b>TASK GRADE</b>	<b>GRADE NUMBER</b>	<b>OCCUPATION</b>	<b>VOTE</b>	<b>DESCRIPTION</b>	<b>Budget</b>
8	500011	P A / Secretary	11100	Municipal Manager	R 175,431
11	200044	Admin Officer : Contract & Property Management	12200	Corporate	R 231,100
15	200054	Head : Change Management & Policy Development (Contract)	12200	Corporate	R 223,000
11	202010	EAP Practitioner	12222	Human Resources	R 0
4	800019	Meter Reader : Service Fees	13300	Income	R 0
11	800025	Accountant : Rates & Collections	13300	Income	R 231,100
11	800031	Accountant : Financing	13300	Budget Office	R 231,100
5	292906	Creditors Clerk	13300	Expenditure	R 106,581
11	800056	Accountant : Finance Section	13300	Budget Office	R 231,100
6	800057	Senior Clerk	13300	Income	R 127,006
14	402006	Senior Technician	14400	Elect/Tech	R 0
6	404018	Operator	14464/8	Streets	R 127,006
13	404003	Eng. Technician	14468	Streets	R 299,625
12	404002	Superintendent	14468	Streets	R 265,362
7	403008	Lorry Driver	14468	Streets	R 144,244
5	901002	Learner Process Controller	14473	Herbertsdale	R 106,581
6	403006	Handy Man	14478	Sewerage	R 127,006
6	406018	Driver : Process Controllers	14482	KBR Water Purification	R 127,006
10	406025	Assistant Supervisor	14483	Sandhoogte Water Purification	R 0
6	353501	Special Workman	14487	Water	R 127,006
9	600004	Admin Officer	15500	Community	
5	201007	Clerk (Resorts)	15544	Chalets	R 44,409
	201002	Clerk (Relief - weekend)	15544	Chalets	R 24,127
9	603005	Foreman	15552	Refuse	R 87,212
11	604001	Waste Management Officer	15552	Refuse	R 115,550
7	604007	Lorry Driver : Sanitation	15552	Refuse	R 144,244
9	604008	Foreman	15553	Refuse	
9	205020	Senior Fireman	15560	Fire Dept	R 174,424
6	205003	Junior Firefighter	15560	Fire Dept	
5	407015	Tractor Driver	15582	Parks	R 106,581

<b>VACANT POSTS 2010/2011 - M1</b>					
<b>TASK GRADE</b>	<b>GRADE NUMBER</b>	<b>OCCUPATION</b>	<b>VOTE</b>	<b>DESCRIPTION</b>	<b>Budget</b>
7	203009	Special Workman	15585	Traffic	R 144,244
8	203001	Administration Control	15585	Traffic	R 157,265
11	203002	Traffic Administration Control	15585	Traffic	R 115,550
6	203003	Cashier/Clerk Administration	15585	Traffic	R 63,503
6	203006	Clerk : Administration	15585	Traffic	R 63,503
6	203026	Clerk Grade III (Traffic)	15585	Traffic	R 127,006
6	203028	Clerk/Cashier	15585	Traffic	R 127,006
9	203043	Traffic Officer - Grade II	15585	Traffic	R 174,424
9	203048	Traffic Officer - Grade II	15585	Traffic	R 174,424
6	203077	Law Enforcement Officer	15585	Traffic	R 127,006
6	203078	Law Enforcement Officer	15585	Traffic	R 127,006
6	203079	Law Enforcement Officer	15585	Traffic	R 127,006
6	204007	Library Assistant	15593	MB Library	R 127,006
13	407020	Supervisor : Sport & Recreation	15592	Sports grounds	R 299,625
10	701004	Electrician	16614	Electricity	R 213,332
7	701012	Special Workman	16614	Electricity	R 144,244
5	701101	Leading Construction Workman	16614	Electricity	R 106,581
10	401004	Building Inspector	17742	Town Planning	R 213,332
10	401021	Building Plan Examiner	17742	Town Planning	R 213,332
13	401025	Technician (Outdoor Advertising)	17742	Town Planning	R 299,625
6	401016	Clerk	17742	Town Planning	R 127,006
11	401002	Building Control Officer	17742	Town Planning	R 0
10	401003	Building Inspector	17742	Town Planning	R 213,332
12	200020	Manager : Human Settlement	17774	Housing	R 265,362
6	203071	Human Settlement Officers	17774	Housing	R 127,006
6	203072	Human Settlement Officers	17774	Housing	R 127,006
6	203073	Human Settlement Officers	17774	Housing	R 127,006
6	203074	Human Settlement Officers	17774	Housing	R 127,006
6	203075	Human Settlement Officers	17774	Housing	R 127,006
6	203076	Human Settlement Officers	17774	Housing	R 127,006

**Grand Total****R 8,089,557**

<b>VAKANTE POSTE 2010/2011 - M2</b>					
<b>TASK GRADE</b>	<b>GRADE NUMBER</b>	<b>OCCUPATION</b>	<b>VOTE</b>	<b>DESCRIPTION</b>	<b>Budget</b>
4	404123	Operator	14464/8	Streets	R 98,604
2	404125	General Worker	14464/8	Streets	R 94,904
2	404184	General Worker	14468	Streets	R 94,904
2	404185	General Worker	14468	Streets	R 94,904
2	404186	General Worker	14468	Streets	R 94,904
2	404187	General Worker	14468	Streets	R 94,904
6	701121	Tractor Driver	14468	Streets	R 127,006
4	409117	Machine Operator	14473	Regional Sewage Works	R 98,604
3	201115	Workman : de Bakke Chalets	15544	Chalets	R 40,308
3	200104	Cleaner	15549	Town Hall	R 96,737
2	604106	Workman	15553	Cleaning of Streets	R 94,904
2	205101	General Worker	15560	Fire Department	R 94,904
5	701114	Electric Assistant	16614	Electrical	R 106,581
4	701115	Operator	16614	Electrical	R 0
4	701122	Operator	16614	Electrical	R 98,604
4	701128	Operator	16614	Electrical	R 98,604
4	701126	Operator	16614	Electrical	R 98,604
4	701125	Operator	16614	Electricity	R 98,604

**Grand Total****R 1,626,584**

**NEW POSTS TO BE FILLED**

<b>NEW POSTS - M1 : 2011/2012</b>			
<b>DIRECTORATE : CORPORATE SERVICES</b>			
<b>POST NO.</b>	<b>T-GRADE</b>	<b>DESCRIPTION OF POST</b>	<b>BUDGETED AMOUNT</b>
12222	T11	Safety Officer	R 117,479
12222	T11	Personnel Officer (Labour Relations)	R 176,219
		<b>Total</b>	<b>R 293,698</b>
<b>DIRECTORATE : FINANCIAL SERVICES</b>			
<b>POST NO.</b>	<b>T-GRADE</b>	<b>DESCRIPTION OF POST</b>	<b>BUDGETED AMOUNT</b>
13300	T5	Clerk : Prepaid	R 114,613
13300	T5	Clerk : Accounts	R 114,613
13300		Head : Budget Office (Nett)	R 120,000
		<b>Total</b>	<b>R 349,226</b>
<b>DIRECTORATE : TECHNICAL SERVICES</b>			
<b>POST NO.</b>	<b>T-GRADE</b>	<b>DESCRIPTION OF POST</b>	<b>BUDGETED AMOUNT</b>
14473	T6	Laboratory Assistant	R 63,503
14477/1448	T10	Fitter	R 106,666
16614	T6	Truck Driver/Plant Operator	R 63,503
16614	T12	Electrical Engineering Technician	R 134,304
		<b>Total</b>	<b>R 367,976</b>
<b>DIRECTORATE : COMMUNITY SERVICES</b>			
<b>POST NO.</b>	<b>T-GRADE</b>	<b>DESCRIPTION OF POST</b>	<b>BUDGETED AMOUNT</b>
15549	T6	Handyman : Community Halls	R 127,007
15582	T5	Clerk : Parks	R 114,613
		<b>Total</b>	<b>R 241,620</b>
<b>DIRECTORATE : TOWN PLANNING AND BUILDING CONTROL</b>			
17742	T6	CLERK	R 127,006
		<b>Total</b>	<b>R 127,006</b>
		<b>GRAND TOTAL</b>	<b>R 1,379,526</b>

NEW POSTS - M2 : 2011/2012			
DIRECTORATE : TECHNICAL SERVICES			
POST NO.	T-GRADE	DESCRIPTION OF POST	BUDGETED AMOUNT
14464/8	T4	Operators (Streets) x 2	R 103,268
16614	T3	Electrical Assistant x 2	R 96,737
16624	T2	Worker (Mechanical) x 2	R 94,904
		<b>Total</b>	<b>R 294,909</b>
		<b>GRAND TOTAL</b>	<b>R 294,909</b>

## BUDGET SCHEDULES

## DISCLOSURE OF SALARIES, ALLOWANCES AND BENEFITS

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
<b>Rand per annum</b>								
<b>Councillors</b>	4							
Executive Mayor	5		645,761					645,761
Deputy Executive Mayor			520,467					520,467
Speaker			520,467					520,467
3 X Member of Executive Committee			1,467,438					1,467,438
20 X Part-time Councillor			4,199,454		50,000			4,249,454
Locomotion Claims								–
<b>Total Councillors</b>	9	–	<b>7,353,587</b>	–	<b>50,000</b>			<b>7,403,587</b>
<b>Senior Managers of the Municipality</b>	6							
Municipal Manager (MM)			1,339,768			187,568		1,527,336
Chief Finance Officer			1,097,131			164,570		1,261,701
Director Electricity Services			1,098,874			153,842		1,252,716
Director Corporate Services			906,625			126,928		1,033,553
Director Community Services			948,666			142,300		1,090,966
Director Development and Planning			971,370			135,992		1,107,362
Director Civil Services								
<b>Total Senior Managers of the Municipality</b>	9	–	<b>6,362,434</b>	–	–	<b>911,200</b>	–	<b>7,273,634</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		–	<b>13,716,021</b>	–	<b>50,000</b>	<b>911,200</b>	–	<b>14,677,221</b>

**SUMMARY OF COUNCILLOR AND STAFF BENEFITS**

Summary of Employee and Councillor remuneration R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Councillors (Political Office Bearers plus Other)</b>	1	A	B	C	D	E	F	G	H	I
Salary		4,640	5,148	5,487	6,218	6,086	6,086	6,985	7,544	8,223
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Other benefits or allowances		256	279	294	373	373	373	419	466	516
In-kind benefits										
<b>Sub Total - Councillors</b>		<b>4,896</b>	<b>5,427</b>	<b>5,781</b>	<b>6,591</b>	<b>6,459</b>	<b>6,459</b>	<b>7,404</b>	<b>8,010</b>	<b>8,739</b>
<b>% increase</b>	4		<b>10.8%</b>	<b>6.5%</b>	<b>14.0%</b>	<b>(2.0%)</b>	<b>-</b>	<b>14.6%</b>	<b>8.2%</b>	<b>9.1%</b>
<b>Senior Managers of the Municipality</b>	2									
Salary		3,559	6,121	6,064	6,708	6,305	6,305	6,363	6,872	7,421
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Performance Bonus		599	610	883	955	905	905	911	984	1,063
Other benefits or allowances										
In-kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>4,158</b>	<b>6,731</b>	<b>6,946</b>	<b>7,664</b>	<b>7,211</b>	<b>7,211</b>	<b>7,274</b>	<b>7,856</b>	<b>8,484</b>
<b>% increase</b>	4		<b>61.9%</b>	<b>3.2%</b>	<b>10.3%</b>	<b>(5.9%)</b>	<b>-</b>	<b>0.9%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		57,751	68,945	81,624	96,670	96,194	96,194	102,207	109,361	118,110
Pension Contributions		8,522	10,989	12,948	16,817	16,578	16,578	17,962	19,202	20,622
Medical Aid Contributions		4,976	6,565	7,352	9,057	8,875	8,875	10,028	11,131	12,355
Motor vehicle allowance										
Cell phone allowance										
Housing allowance		866	1,116	1,006	1,237	1,197	1,197	1,222	1,234	1,283
Overtime		5,222	6,529	6,477	5,959	7,056	7,056	6,538	6,930	7,485
Performance Bonus		4,647	5,921	6,985	8,056	8,056	8,056	8,521	9,058	9,692
Other benefits or allowances		7,421	10,711	14,508	14,647	15,839	15,839	16,637	18,363	20,528
In-kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>89,406</b>	<b>110,777</b>	<b>130,900</b>	<b>152,442</b>	<b>153,795</b>	<b>153,795</b>	<b>163,114</b>	<b>175,279</b>	<b>190,075</b>
<b>% increase</b>	4		<b>23.9%</b>	<b>18.2%</b>	<b>16.5%</b>	<b>0.9%</b>	<b>-</b>	<b>6.1%</b>	<b>7.5%</b>	<b>8.4%</b>
<b>Total Parent Municipality</b>		<b>98,461</b>	<b>122,935</b>	<b>143,628</b>	<b>166,697</b>	<b>167,465</b>	<b>167,465</b>	<b>177,791</b>	<b>191,145</b>	<b>207,298</b>
			<b>24.9%</b>	<b>16.8%</b>	<b>16.1%</b>	<b>0.5%</b>	<b>-</b>	<b>6.2%</b>	<b>7.5%</b>	<b>8.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>98,461</b>	<b>122,935</b>	<b>143,628</b>	<b>166,697</b>	<b>167,465</b>	<b>167,465</b>	<b>177,791</b>	<b>191,145</b>	<b>207,298</b>
<b>% increase</b>	4		<b>24.9%</b>	<b>16.8%</b>	<b>16.1%</b>	<b>0.5%</b>	<b>-</b>	<b>6.2%</b>	<b>7.5%</b>	<b>8.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5	<b>93,565</b>	<b>117,508</b>	<b>137,847</b>	<b>160,106</b>	<b>161,006</b>	<b>161,006</b>	<b>170,388</b>	<b>183,135</b>	<b>198,559</b>

**SUMMARY OF PERSONNEL NUMBERS**

Summary of Personnel Numbers Number	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		23	23		23	23				
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	7	–	7	7	–	7	28	27	1
Other Managers	7	23	22	1	23	22	1	–	–	–
Professionals		37	32	5	38	33	5	20	19	1
<i>Finance</i>		19	14	5	20	15	5	11	10	1
<i>Spatial/town planning</i>		4	4		4	4		3	3	–
<i>Information Technology</i>		3	3		3	3		–	–	–
<i>Roads</i>		3	3		3	3		2	2	–
<i>Electricity</i>		2	2		2	2		–	–	–
<i>Water</i>		5	5		5	5		3	3	–
<i>Sanitation</i>								1	1	–
<i>Refuse</i>		1	1		1	1		–	–	–
<i>Other</i>		23	23		23	23		16	15	1
Technicians		54	50	–	60	57	–	113	106	7
<i>Finance</i>		9	5		11	8		7	4	3
<i>Spatial/town planning</i>		10	10		11	11		10	10	–
<i>Information Technology</i>		4	4		4	4		4	4	–
<i>Roads</i>		5	5		5	5		24	23	1
<i>Electricity</i>		23	23		23	23		24	24	–
<i>Water</i>		2	2		4	4		34	32	2
<i>Sanitation</i>								10	9	1
<i>Refuse</i>		1	1		2	2		–	–	–
<i>Other</i>		75	71	4	75	72	3	90	85	5
Clerks (Clerical and administrative)		199	185	11	202	187	15	105	105	–
Service and sales workers								47	40	7
Skilled agricultural and fishery workers								–	–	–
Craft and related trades								–	–	–
Plant and Machine Operators		26	24		30	28		45	40	5
Elementary Occupations		422	400	19	432	418	9	353	353	–
<b>TOTAL PERSONNEL NUMBERS</b>		<b>889</b>	<b>830</b>	<b>47</b>	<b>913</b>	<b>863</b>	<b>40</b>	<b>817</b>	<b>790</b>	<b>27</b>
<b>% increase</b>					2.7%	4.0%	(14.9%)	(10.5%)	(8.5%)	(32.5%)
<b>Total municipal employees headcount</b>	6									
Finance personnel headcount	8	<b>81</b>	<b>76</b>	<b>5</b>	<b>83</b>	<b>78</b>	<b>5</b>	<b>68</b>	<b>64</b>	<b>4</b>
Human Resources personnel headcount	8	<b>11</b>	<b>10</b>	<b>1</b>	<b>12</b>	<b>12</b>		<b>11</b>	<b>11</b>	<b>–</b>



## 7.9. Monthly targets for revenue, expenditure and cash flow

## BUDGETED MONTHLY REVENUE AND EXPENDITURE (MUNICIPAL VOTE)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand																
Revenue by Vote																
Vote1 - MUNICIPAL MANAGER		2,436	655	1,408	1,653	4,429	2,000	5,846	1,116	1,234	2,332	1,021	11,775	35,906	35,513	33,828
Vote2 - CORPORATE SERVICES		0	0	135	27	0	206	15	8	8	136	255	443	1,235	1,330	1,454
Vote3 - FINANCIAL SERVICES		69,044	1,278	821	724	2,072	550	914	647	632	606	1,632	508	79,429	87,194	95,826
Vote4 - CIVIL SERVICES		64,027	7,904	9,305	6,954	5,705	10,646	14,526	8,217	6,672	7,011	11,360	21,616	173,944	190,832	213,161
Vote5 - COMMUNITY SERVICES		4,085	6,454	7,104	4,265	4,212	5,775	6,456	4,679	5,191	4,809	5,724	3,312	62,064	68,683	75,898
Vote6 - ELECTRICITY SERVICES		25,349	21,319	21,459	20,069	20,264	22,268	23,285	20,718	21,058	20,464	21,122	31,613	268,988	303,022	352,569
Vote7 - DEVELOPMENT AND PLANNING		309	888	373	399	377	400	582	461	458	405	370	50,106	55,128	38,475	35,703
Total Revenue by Vote		165,249	38,498	40,605	34,091	37,059	41,845	51,625	35,847	35,253	35,764	41,483	119,374	676,693	725,049	808,439
Expenditure by Vote to be appropriated																
Vote1 - MUNICIPAL MANAGER		2,279	1,515	1,414	2,271	1,874	1,667	2,844	1,901	1,800	1,760	1,947	34,177	55,448	58,823	62,788
Vote2 - CORPORATE SERVICES		1,358	1,526	1,566	1,845	1,376	1,730	1,479	2,262	1,758	2,013	2,506	1,318	20,736	21,950	23,394
Vote3 - FINANCIAL SERVICES		2,293	2,484	2,757	3,797	2,785	3,090	2,576	2,722	2,646	2,736	2,971	(4,466)	26,392	25,225	27,230
Vote4 - CIVIL SERVICES		8,808	10,235	13,156	14,130	11,323	15,541	14,173	13,295	12,647	15,638	13,718	31,621	174,283	193,015	211,824
Vote5 - COMMUNITY SERVICES		6,147	7,160	7,782	9,049	7,627	11,423	11,649	9,352	8,389	8,730	8,150	16,169	111,628	121,287	131,886
Vote6 - ELECTRICITY SERVICES		6,084	22,173	22,296	14,505	14,240	14,690	15,444	14,442	13,541	14,755	14,157	41,621	207,948	239,930	281,662
Vote7 - DEVELOPMENT AND PLANNING		1,116	1,152	1,338	1,600	1,529	2,329	1,862	7,390	1,844	2,084	4,315	26,518	53,078	51,938	49,960
Total Expenditure by Vote		28,085	46,244	50,309	47,197	40,753	50,469	50,027	51,363	42,625	47,716	47,763	146,959	649,511	712,168	788,745
Surplus/(Deficit) before assoc.		137,164	(7,746)	(9,705)	(13,106)	(3,694)	(8,624)	1,598	(15,516)	(7,372)	(11,952)	(6,280)	(27,586)	27,181	12,880	19,695
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	137,164	(7,746)	(9,705)	(13,106)	(3,694)	(8,624)	1,598	(15,516)	(7,372)	(11,952)	(6,280)	(27,586)	27,181	12,880	19,695

**BUDGETED MONTHLY REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		71,480	1,933	2,365	2,404	6,501	2,755	6,776	1,771	1,874	2,950	2,908	12,652	116,369	123,837	130,909
Executive and council		2,436	655	1,408	1,653	4,429	2,000	5,846	1,116	1,234	2,332	1,021	11,775	35,906	35,513	33,828
Budget and treasury office		410	353	701	544	423	350	356	445	450	414	371	349	5,166	5,570	6,038
Corporate services		68,633	925	256	206	1,649	406	574	210	191	204	1,516	528	75,298	82,754	91,042
<i>Community and public safety</i>		1,143	2,298	3,154	1,082	1,213	1,585	1,605	1,443	1,950	1,563	1,225	51,500	69,761	53,782	52,760
Community and social services		41	87	55	57	79	44	46	90	51	47	53	801	1,452	677	743
Sport and recreation		398	1,717	1,742	405	289	445	759	343	729	657	275	120	7,879	8,739	9,725
Public safety		662	447	1,316	576	802	1,059	760	967	1,138	811	856	795	10,190	11,185	12,509
Housing		42	47	41	43	43	37	40	43	32	48	41	49,784	50,241	33,181	29,784
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		272	844	336	361	341	364	546	421	429	503	332	16,298	21,048	9,348	14,121
Planning and development		267	841	332	356	335	363	542	418	426	483	329	397	5,087	5,494	6,120
Road transport		5	4	5	4	7	1	4	4	3	20	3	15,901	15,961	3,854	8,001
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		92,354	33,422	34,749	30,245	29,004	37,140	42,698	32,212	31,000	30,749	37,019	38,923	469,514	538,082	610,650
Electricity		25,349	21,319	21,459	20,069	20,264	22,268	23,285	20,718	21,058	20,464	21,122	31,613	268,988	303,022	352,569
Water		11,110	6,791	6,980	6,185	5,449	7,930	10,404	7,546	6,091	6,405	8,096	3,927	86,913	107,407	123,120
Waste water management		52,912	1,110	2,320	764	249	2,715	4,118	668	578	586	3,261	1,788	71,069	79,571	82,040
Waste management		2,983	4,202	3,990	3,226	3,042	4,227	4,890	3,280	3,273	3,294	4,540	1,596	42,544	48,082	52,921
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Standard</b>		165,249	38,498	40,605	34,091	37,059	41,845	51,625	35,847	35,253	35,764	41,483	119,374	676,693	725,049	808,439
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		6,038	5,665	5,863	8,074	6,267	6,684	7,110	6,838	6,332	6,565	7,502	27,096	100,034	103,085	110,249
Executive and council		2,279	1,515	1,414	2,271	1,874	1,667	2,844	1,901	1,800	1,760	1,947	34,177	55,448	58,823	62,788
Budget and treasury office		1,553	1,877	2,065	2,001	2,021	2,275	1,930	2,076	2,125	2,121	2,294	(6,159)	16,177	16,702	17,763
Corporate services		2,206	2,273	2,384	3,802	2,372	2,742	2,337	2,862	2,408	2,684	3,261	(921)	28,410	27,560	29,698
<i>Community and public safety</i>		4,579	4,890	5,715	5,836	5,471	8,707	9,310	12,565	6,325	6,478	8,419	33,588	111,883	115,737	119,196
Community and social services		797	854	915	942	883	1,280	1,003	1,021	1,013	1,077	1,000	1,277	12,061	13,071	14,331
Sport and recreation		1,550	1,721	2,312	2,343	1,889	4,406	5,159	3,096	2,541	2,444	2,084	5,525	35,071	37,974	41,177
Public safety		1,960	2,033	2,093	2,131	2,216	2,587	2,650	2,566	2,222	2,474	2,361	4,017	29,310	31,510	33,904
Housing		272	282	396	420	482	434	498	5,882	549	483	2,974	22,768	35,441	33,181	29,784
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		1,880	1,985	3,578	5,129	2,931	6,286	4,593	3,434	4,244	5,523	3,713	6,784	50,079	54,086	58,046
Planning and development		1,054	1,060	1,190	1,385	1,255	2,137	1,574	1,957	1,558	1,973	1,705	4,731	21,578	23,044	24,794
Road transport		827	924	2,388	3,743	1,676	4,149	3,019	1,478	2,686	3,550	2,008	2,053	28,500	31,041	33,252
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		15,588	33,703	35,152	28,158	26,084	28,792	29,014	28,526	25,724	29,151	28,130	79,492	387,515	439,261	501,254
Electricity		6,002	22,085	22,197	14,410	14,148	14,567	15,326	14,325	13,424	14,638	14,039	41,457	206,620	238,496	280,102
Water		4,784	5,348	6,928	5,999	5,844	6,671	7,189	6,944	6,154	7,270	7,673	20,772	91,577	101,970	112,265
Waste water management		2,963	3,719	3,564	4,117	3,454	4,403	3,661	4,588	3,533	4,507	3,713	11,912	54,133	60,064	66,413
Waste management		1,840	2,552	2,463	3,633	2,638	3,151	2,838	2,669	2,613	2,735	2,705	5,350	35,185	38,732	42,474
<i>Other</i>		—	—	—	0	—	—	—	0	—	0	—	0	0	—	—
<b>Total Expenditure - Standard</b>		28,085	46,244	50,309	47,197	40,753	50,469	50,027	51,363	42,625	47,716	47,763	146,959	649,511	712,168	788,745
<b>Surplus/(Deficit) before assoc.</b>		137,164	(7,746)	(9,705)	(13,106)	(3,694)	(8,624)	1,598	(15,516)	(7,372)	(11,952)	(6,280)	(27,586)	27,181	12,880	19,695
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit)</b>	1	137,164	(7,746)	(9,705)	(13,106)	(3,694)	(8,624)	1,598	(15,516)	(7,372)	(11,952)	(6,280)	(27,586)	27,181	12,880	19,695

**BUDGETED MONTHLY REVENUE AND EXPENDITURE (PER SOURCE / PER TYPE)**

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>																
Property rates		68,469	765	(65)	(22)	1,460	(1)	371	(0)	3	6	1,076	0	72,062	79,313	87,319
Property rates - penalties & collection charges		164	157	170	201	186	196	150	197	174	185	181	140	2,100	2,205	2,359
Service charges - electricity revenue		18,846	20,064	21,254	19,796	20,014	22,016	22,482	19,633	20,825	20,307	21,012	23,769	250,017	287,520	330,647
Service charges - water revenue		5,230	6,695	5,336	5,707	5,321	6,175	7,640	6,945	5,902	6,303	5,931	2,726	69,910	79,000	92,100
Service charges - sanitation revenue		49,117	1,064	233	282	241	194	86	193	94	111	79	101	51,796	55,446	59,919
Service charges - refuse revenue		2,983	3,973	3,007	3,014	3,040	3,058	3,050	3,064	3,060	3,077	3,077	892	35,294	38,824	42,706
Service charges - other		16,620	3,444	1,837	897	731	607	1,274	689	1,118	950	576	300	29,043	31,698	34,771
Rental of facilities and equipment		250	817	552	249	275	287	361	343	341	323	240	210	4,247	4,746	5,311
Interest earned - external investments		1,833	98	117	1,307	913	512	458	983	539	1,164	834	1,872	10,629	10,003	9,469
Interest earned - outstanding debtors		32	31	31	31	31	29	28	26	26	27	26	26	345	376	361
Dividends received														-	-	-
Fines		307	6	904	300	297	699	378	479	706	501	518	163	5,258	5,783	6,476
Licences and permits		351	411	392	273	502	355	370	476	414	298	339	595	4,778	5,239	5,859
Agency services														-	-	-
Transfers recognised - operational		111	28	5,130	1,195	98	7,025	9,915	2,275	919	930	7,061	38,644	73,331	69,912	68,962
Other revenue		936	924	1,705	861	3,932	693	5,061	502	1,134	1,582	534	17,193	35,055	35,978	35,726
Gains on disposal of PPE		-	-	-	0	-	0	1	0	0	-	-	6	9	10	13
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>165,249</b>	<b>38,477</b>	<b>40,605</b>	<b>34,091</b>	<b>37,038</b>	<b>41,845</b>	<b>51,625</b>	<b>35,806</b>	<b>35,253</b>	<b>35,764</b>	<b>41,483</b>	<b>86,637</b>	<b>643,874</b>	<b>706,053</b>	<b>781,997</b>
<b>Expenditure By Type</b>																
Employee related costs		12,125	12,058	12,377	13,400	12,762	16,573	13,980	13,679	13,549	13,902	14,361	35,578	184,345	198,449	215,358
Remuneration of councillors		449	678	524	523	522	549	753	712	789	591	594	720	7,404	8,010	8,739
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	12,860	12,860	14,146	15,702
Depreciation & asset impairment		381	381	381	5,913	381	5,050	1,167	2,929	1,192	6,225	1,192	13,108	38,298	42,743	44,068
Finance charges		-	-	26	-	1	29	58	298	-	-	33	3,141	3,586	3,446	3,470
Bulk purchases		4,165	19,874	20,928	10,966	11,687	10,708	14,136	12,020	11,398	12,479	12,963	25,692	167,017	199,621	238,605
Other materials		860	999	621	773	874	1,058	1,048	984	866	795	905	385	10,166	11,208	12,314
Contracted services		1,346	2,256	1,956	2,623	2,331	3,351	4,389	3,096	2,722	1,782	2,655	3,111	31,619	34,690	38,077
Transfers and grants		389	370	356	368	343	348	347	323	317	357	385	411	4,314	4,889	5,556
Other expenditure		8,371	9,627	13,142	12,633	11,852	12,803	14,104	17,323	11,792	11,586	14,674	51,896	189,803	194,866	206,755
Loss on disposal of PPE		-	-	-	-	-	-	44	-	-	-	-	56	100	100	100
<b>Total Expenditure</b>		<b>28,085</b>	<b>46,244</b>	<b>50,309</b>	<b>47,197</b>	<b>40,753</b>	<b>50,469</b>	<b>50,027</b>	<b>51,363</b>	<b>42,625</b>	<b>47,716</b>	<b>47,763</b>	<b>146,959</b>	<b>649,511</b>	<b>712,168</b>	<b>788,745</b>
<b>Surplus/(Deficit)</b>		<b>137,164</b>	<b>(7,767)</b>	<b>(9,705)</b>	<b>(13,106)</b>	<b>(3,714)</b>	<b>(8,624)</b>	<b>1,598</b>	<b>(15,557)</b>	<b>(7,372)</b>	<b>(11,952)</b>	<b>(6,280)</b>	<b>(60,323)</b>	<b>(5,638)</b>	<b>(6,116)</b>	<b>(6,747)</b>
Transfers recognised - capital		-	21	-	-	21	-	-	41	-	-	-	32,737	32,819	18,996	26,442
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>137,164</b>	<b>(7,746)</b>	<b>(9,705)</b>	<b>(13,106)</b>	<b>(3,694)</b>	<b>(8,624)</b>	<b>1,598</b>	<b>(15,516)</b>	<b>(7,372)</b>	<b>(11,952)</b>	<b>(6,280)</b>	<b>(27,586)</b>	<b>27,181</b>	<b>12,880</b>	<b>19,695</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>137,164</b>	<b>(7,746)</b>	<b>(9,705)</b>	<b>(13,106)</b>	<b>(3,694)</b>	<b>(8,624)</b>	<b>1,598</b>	<b>(15,516)</b>	<b>(7,372)</b>	<b>(11,952)</b>	<b>(6,280)</b>	<b>(27,586)</b>	<b>27,181</b>	<b>12,880</b>	<b>19,695</b>

## BUDGETED MONTHLY CAPITAL EXPENDITURE (MUNICIPAL VOTE)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote2 - CORPORATE SERVICES		-	39	10	-	-	-	-	-	-	-	-	-	49	343	353
Vote3 - FINANCIAL SERVICES		-	-	140	-	-	5	1,900	13	-	5	2	283	2,348	516	510
Vote4 - CIVIL SERVICES		943	2,453	2,678	2,698	4,828	2,267	2,388	2,248	2,163	1,463	1,333	2,667	28,129	44,408	46,832
Vote5 - COMMUNITY SERVICES		-	-	200	100	270	-	20	100	-	15	-	3,210	3,915	2,536	3,605
Vote6 - ELECTRICITY SERVICES		100	205	1,130	1,335	1,080	765	980	1,565	1,910	1,170	720	2,290	13,250	21,385	26,135
Vote7 - DEVELOPMENT AND PLANNING		-	-	5	1,000	-	5	-	1,000	5	-	-	9,805	11,820	15,037	20
<b>Capital multi-year expenditure sub-total</b>	2	<b>1,043</b>	<b>2,697</b>	<b>4,163</b>	<b>5,133</b>	<b>6,178</b>	<b>3,042</b>	<b>5,288</b>	<b>4,926</b>	<b>4,078</b>	<b>2,653</b>	<b>2,055</b>	<b>18,255</b>	<b>59,510</b>	<b>84,225</b>	<b>77,455</b>
<b>Single-year expenditure to be appropriated</b>																
Vote1 - MUNICIPAL MANAGER		-	12	-	-	-	-	200	-	-	1,300	-	-	1,512	500	-
Vote2 - CORPORATE SERVICES		-	33	130	50	-	-	25	500	500	500	500	-	2,238	240	340
Vote3 - FINANCIAL SERVICES		-	-	38	-	-	80	-	-	150	-	-	-	268	40	-
Vote4 - CIVIL SERVICES		2,283	2,688	4,243	4,833	4,238	2,130	5,723	4,003	2,958	1,908	1,398	(1,797)	34,608	27,025	28,360
Vote5 - COMMUNITY SERVICES		27	61	398	339	948	1,825	1,092	1,335	3,020	950	1,690	(2,510)	9,175	1,640	380
Vote6 - ELECTRICITY SERVICES		170	280	470	210	760	410	210	1,430	730	730	630	(760)	5,270	620	-
Vote7 - DEVELOPMENT AND PLANNING		-	-	-	4,000	-	-	-	4,440	-	-	-	(5,000)	3,440	-	-
<b>Capital single-year expenditure sub-total</b>	2	<b>2,480</b>	<b>3,074</b>	<b>5,279</b>	<b>9,432</b>	<b>5,946</b>	<b>4,445</b>	<b>7,250</b>	<b>11,708</b>	<b>7,358</b>	<b>5,388</b>	<b>4,218</b>	<b>(10,067)</b>	<b>56,511</b>	<b>30,065</b>	<b>29,080</b>
<b>Total Capital Expenditure</b>	2	<b>3,523</b>	<b>5,771</b>	<b>9,442</b>	<b>14,565</b>	<b>12,124</b>	<b>7,487</b>	<b>12,538</b>	<b>16,634</b>	<b>11,436</b>	<b>8,041</b>	<b>6,273</b>	<b>8,188</b>	<b>116,021</b>	<b>114,290</b>	<b>106,535</b>

## BUDGETED MONTHLY CAPITAL EXPENDITURE (STANDARD CLASSIFICATION)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		–	84	318	50	–	85	2,125	513	650	1,805	502	283	6,414	1,639	1,203
Executive and council		–	12	–	–	–	–	200	–	–	1,300	–	–	1,512	500	–
Budget and treasury office		–	–	178	–	–	85	1,900	13	150	5	2	283	2,615	556	510
Corporate services		–	72	140	50	–	–	25	500	500	500	500	–	2,287	583	693
<i>Community and public safety</i>		27	61	598	5,319	768	1,825	612	6,550	670	965	1,690	5,200	24,285	17,393	985
Community and social services		27	61	87	170	14	235	82	370	10	30	40	220	1,346	131	60
Sport and recreation		–	–	373	42	364	600	470	605	660	410	850	–	4,374	1,375	300
Public safety		–	–	138	107	390	990	60	160	–	525	800	180	3,350	870	625
Housing		–	–	–	5,000	–	–	–	5,415	–	–	–	4,800	15,215	15,017	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		1,860	3,270	4,115	3,800	3,530	2,818	5,235	4,115	3,280	1,655	525	419	34,622	20,530	18,642
Planning and development		–	–	5	–	–	5	–	25	5	–	–	5	45	20	20
Road transport		1,860	3,270	4,110	3,800	3,530	2,813	5,235	4,090	3,275	1,655	525	414	34,577	20,510	18,622
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		1,636	2,336	4,411	5,396	7,826	2,759	4,566	5,456	6,676	3,616	3,556	2,306	50,540	74,706	85,695
Electricity		270	485	1,570	1,515	1,810	1,145	1,160	2,965	2,610	1,870	1,320	1,800	18,520	22,005	26,135
Water		53	153	468	783	833	27	1,213	933	488	303	1,033	63	6,350	27,481	29,150
Waste water management		1,313	1,698	2,373	2,978	4,733	1,587	1,693	1,258	1,228	1,443	1,203	143	21,650	23,420	27,410
Waste management		–	–	–	120	450	–	500	300	2,350	–	–	300	4,020	1,800	3,000
<i>Other</i>		–	20	–	–	–	–	–	–	160	–	–	(20)	160	22	10
<b>Total Capital Expenditure - Standard</b>	2	3,523	5,771	9,442	14,565	12,124	7,487	12,538	16,634	11,436	8,041	6,273	8,188	116,021	114,290	106,535

## BUDGETED MONTHLY CASH FLOWS

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash Receipts By Source</b>													1		
Property rates	14,775	10,329	9,916	6,459	2,486	4,664	4,529	4,348	4,117	3,985	3,058	3,023	71,689	78,902	86,867
Property rates - penalties & collection charges	164	157	170	201	186	196	150	197	174	185	181	140	2,100	2,205	2,359
Service charges - electricity revenue	18,555	19,534	18,825	18,639	17,494	20,678	19,692	18,015	19,241	19,023	19,838	18,305	227,839	261,223	299,219
Service charges - water revenue	4,400	5,168	4,084	4,673	4,374	5,921	2,448	6,599	5,706	5,494	5,668	1,167	55,704	62,964	74,414
Service charges - sanitation revenue	4,550	4,655	3,429	3,809	1,380	2,681	679	2,487	2,347	2,398	1,657	1,506	31,578	33,657	36,314
Service charges - refuse revenue	2,090	2,102	2,114	2,124	2,157	2,154	2,158	2,295	2,310	2,318	2,738	1,269	25,830	28,117	30,684
Service charges - other	11,201	892	2,350	496	5,146	1,144	959	538	1,959	103	461	873	26,121	28,483	31,203
Rental of facilities and equipment	250	817	552	249	275	287	361	343	341	323	240	210	4,247	4,746	5,311
Interest earned - external investments	1,833	98	117	1,307	913	512	458	983	539	1,164	834	1,872	10,629	10,003	9,469
Interest earned - outstanding debtors	32	31	31	31	31	29	28	26	26	27	26	26	345	376	361
Dividends received													-		
Fines	307	6	904	300	297	699	378	479	706	501	518	163	5,258	5,783	6,476
Licences and permits	351	411	392	273	502	355	370	476	414	298	339	595	4,778	5,239	5,859
Agency services													-		
Transfer receipts - operational	111	28	5,130	1,195	98	7,025	9,915	2,275	919	930	7,061	38,644	73,331	69,912	68,962
Other revenue	327	366	433	510	410	343	260	361	440	416	367	10,098	14,330	15,016	14,281
<b>Cash Receipts by Source</b>	<b>58,947</b>	<b>44,595</b>	<b>48,448</b>	<b>40,264</b>	<b>35,749</b>	<b>46,688</b>	<b>42,385</b>	<b>39,422</b>	<b>39,239</b>	<b>37,165</b>	<b>42,986</b>	<b>77,890</b>	<b>553,778</b>	<b>606,627</b>	<b>671,778</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE					5,636							5,636	11,272	9,918	10,414
Short term loans													-		
Borrowing long term/refinancing	(33)	(35)	(34)	(33)	(31)	(37)	(35)	(32)	(34)	(34)	(36)	(33)	(408)	465	30,488
Increase (decrease) in consumer deposits	54	63	50	57	54	73	30	81	70	67	69	(330)	339	373	391
Decrease (Increase) in non-current debtors													-		
Decrease (increase) other non-current receivable	116	116	117	117	119	119	119	127	128	128	151	(862)	496	417	438
Decrease (increase) in non-current investments													-		
<b>Total Cash Receipts by Source</b>	<b>59,084</b>	<b>44,740</b>	<b>48,581</b>	<b>40,405</b>	<b>41,527</b>	<b>46,843</b>	<b>42,499</b>	<b>39,597</b>	<b>39,402</b>	<b>37,326</b>	<b>43,172</b>	<b>82,301</b>	<b>565,477</b>	<b>617,799</b>	<b>713,509</b>

**BUDGETED MONTHLY CASH FLOWS (Continued)**

MONTHLY CASH FLOWS R thousand	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash Payments by Type</b>															
Employee related costs	12,125	12,058	12,238	13,400	12,762	16,573	13,980	13,679	13,549	13,902	14,361	20,051	168,679	181,387	196,745
Remuneration of councillors	449	678	524	523	522	549	753	712	789	591	594	720	7,404	8,010	8,739
Collection costs	62	372	383	366	430	362	300	483	500	508	549	586	4,900	5,292	5,715
Interest paid	–	–	26	–	1	29	58	298	–	–	33	3,141	3,586	3,446	3,470
Bulk purchases - Electricity	4,165	19,874	19,467	10,737	11,246	10,708	12,554	11,712	10,476	11,345	11,163	23,570	157,017	188,421	226,105
Bulk purchases - Water & Sewer	–	–	1,461	228	441	–	1,582	308	922	1,135	1,801	2,122	10,000	11,200	12,500
Other materials	860	999	621	773	874	1,058	1,048	984	866	795	905	385	10,166	11,208	12,314
Contracted services	1,346	2,256	1,956	2,623	2,331	3,351	4,389	3,096	2,722	1,782	2,655	3,111	31,619	34,690	38,077
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	74	58	51	65	51	63	55	41	40	79	137	168	882	942	1,018
General expenses	4,716	5,428	8,427	13,540	7,648	13,005	10,789	14,920	8,446	12,613	11,050	48,836	159,416	161,941	167,038
<b>Cash Payments by Type</b>	<b>23,797</b>	<b>41,724</b>	<b>45,153</b>	<b>42,254</b>	<b>36,306</b>	<b>45,697</b>	<b>45,509</b>	<b>46,232</b>	<b>38,310</b>	<b>42,749</b>	<b>43,248</b>	<b>102,690</b>	<b>553,668</b>	<b>606,537</b>	<b>671,721</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	3,523	5,771	9,442	14,565	12,124	7,487	12,538	16,634	11,436	8,041	6,273	8,188	116,021	114,290	106,535
Repayment of borrowing	250	250	250	250	250	250	250	250	250	250	250	250	3,000	3,000	3,000
Other Cash Flows/Payments	(1,881)	(9,806)	(24,404)	(28,122)	(9,346)	(7,945)	(10,191)	(7,455)	(6,628)	(3,489)	(2,543)	(21,381)	(133,191)	(117,874)	(51,836)
<b>Total Cash Payments by Type</b>	<b>25,689</b>	<b>37,938</b>	<b>30,441</b>	<b>28,948</b>	<b>39,334</b>	<b>45,488</b>	<b>48,106</b>	<b>55,661</b>	<b>43,368</b>	<b>47,551</b>	<b>47,227</b>	<b>89,747</b>	<b>539,498</b>	<b>605,954</b>	<b>729,419</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>33,395</b>	<b>6,802</b>	<b>18,140</b>	<b>11,458</b>	<b>2,193</b>	<b>1,355</b>	<b>(5,607)</b>	<b>(16,064)</b>	<b>(3,966)</b>	<b>(10,225)</b>	<b>(4,055)</b>	<b>(7,446)</b>	<b>25,979</b>	<b>11,846</b>	<b>(15,910)</b>
Cash/cash equivalents at the month/year begin:	173,244	206,639	213,440	231,580	243,038	245,231	246,586	240,979	224,915	220,949	210,724	206,669	173,244	199,223	211,068
Cash/cash equivalents at the month/year end:	206,639	213,440	231,580	243,038	245,231	246,586	240,979	224,915	220,949	210,724	206,669	199,223	199,223	211,068	195,158

**7.10. Contracts having future budgetary implications**

Description	Ref	Preceding Years	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework			Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>														
<b><u>Revenue Obligation By Contract</u></b>	2													
RO Water Reclamation to PetroSA		-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Contract		-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid System		4,339	4,773	5,250	5,775	6,353	-	-	-	-	-	-	-	-
Desalination Plant		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue Implication</b>		<b>4,339</b>	<b>4,773</b>	<b>5,250</b>	<b>5,775</b>	<b>6,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,491</b>
<b><u>Expenditure Obligation By Contract</u></b>	2													
RO Water Reclamation to PetroSA		320	3,845	4,076	4,320	4,579	4,854	5,146	5,454	5,781	6,128	6,496	6,626	57,627
Bank Contract		4,867	1,930	2,123	-	-	-	-	-	-	-	-	-	8,920
Prepaid System		-	-	-	-	-	-	-	-	-	-	-	-	-
Desalination Plant		-	3,706	7,136	6,533	5,900	6,195	6,504	6,830	7,171	7,530	7,906	8,301	73,711
<b>Total Operating Expenditure Implication</b>		<b>5,188</b>	<b>9,481</b>	<b>13,334</b>	<b>10,853</b>	<b>10,479</b>	<b>11,049</b>	<b>11,650</b>	<b>12,284</b>	<b>12,953</b>	<b>13,658</b>	<b>14,402</b>	<b>14,927</b>	<b>140,258</b>
<b><u>Capital Expenditure Obligation By Contract</u></b>	2													
RO Water Reclamation to PetroSA		43,910	309	328	347	368	390	414	438	465	493	522	548	48,533
Bank Contract		-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid System		-	-	-	-	-	-	-	-	-	-	-	-	-
Desalination Plant		-	100,000	-	-	-	-	-	-	-	-	-	-	100,000
<b>Total Capital Expenditure Implication</b>		<b>43,910</b>	<b>100,309</b>	<b>328</b>	<b>347</b>	<b>368</b>	<b>390</b>	<b>414</b>	<b>438</b>	<b>465</b>	<b>493</b>	<b>522</b>	<b>548</b>	<b>148,533</b>
<b>Total Parent Expenditure Implication</b>		<b>49,098</b>	<b>109,790</b>	<b>13,662</b>	<b>11,200</b>	<b>10,847</b>	<b>11,439</b>	<b>12,063</b>	<b>12,722</b>	<b>13,417</b>	<b>14,151</b>	<b>14,924</b>	<b>15,476</b>	<b>288,790</b>



**7.11. Annual budgets and service delivery agreements – other external mechanisms**

External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Call Centre - Eden Distric Mun	12m	C440060	Radio Comm Network	31/01/2011	
Provicom Risk Solution	1m	C436356	Time and Attendance System	31/01/2010	170
Uhlula Consulting CC	12m	C435481	Conducting a survey	28/02/2010	35
Community Development Workers		C438901 (Item)	CDW		
CAPMAN	1m	C439086(P/O)	Leave system		28
Business Engineering/Eden Distric Council	12m	C118762	Collaborator	30 June 2011	131
Ignite Advisory Services		C246484(Item)	CPM		50
Thusong Centre		C400632(Item)	Community Services		5,000
Abet Training	1m	C435875	Adult Basic Education and Training programme	31/01/2010	205
Government Communication Care Network GCCN	36m	C320707	Rendering of GCCN Serices	31-03-2010	
SITA - Pals Hosting and Data Centre Services	36m	C255977	Pals Libraries	31-03-2011	
Red Door	12	C410559	One-stop Centre in support of small, micro & medium enterprises	01/07/2010	350
<b>OTHER:</b>					
Comwezi Security Services Ltd	36m	C378372	Security Services	30-06-2012	250
Fleet Africa (pty) Ltd	36m	C435870	Fleet Management	31-07-2012	
Nashua			Rental Various Photocopiers, fax machines, Service Agreement & Copies	Various	Various
Minolta			Rental Various Photocopiers, fax machines, Service Agreement & Copies	Various	Various
Rentokil			Various Hygine Services, Various buildings	Various	Various
Cyber Cabling	12m	C436292	Network Cabling & Supply of network	30/06/2010	
Wispernet	36m	C436297	Radio Network Maintenance( R10 000.00 + VAT / m)	30/06/2011	194
SPCA	36	C429945	Providing pounding services	30/06/2012	88
Mossel Bay Tourism	36	C435875	Providing Tourism function	30/06/2012	1,982
Debtmanager (Pty) Ltd	36	C311769	Debt Recovery (R175 115.00 /m)	30/06/2011	2,101
Pals System Central Data Processing, Administration and infrastructure	36	C369591	Centralised Data Processing Service	31/03/2012	
Cab Holdings	36	C432590	Printing & Distribution of Monthly Service Acc (min R15 000.00 / m)	30/06/2011	75
Combo Sign Pty Ltd	48	C410252	Outdoor Media - Street Refuse Containers	31/12/2013	1,152
CCM Transport	12	C434447	Removal garden & Domestic Refuse Friemersheim & GBR (R1 021.00 / week)	31/12/2010	45
CCM Transport	12	C434449	Removal garden & Domestic Refuse Buysplaas & MB (R1 021.00 / week)	31/12/2010	45
CCM Transport	12	C335521	Removal garden & Domestic Refuse Kwa, Kleinberg, Bartelsfn, Brandwag, p/o Asla	30/06/2011	
CCM Transport	72	C043254	PetroSA - Refuse dump site	30/06/2010	
A J Boshoff	12	C433276	Removal garden & Domestic Refuse Island & GBR (5 500.00 / m)	30/06/2010	28
ACE Waste Removal	72	C043255	PetroSA - Refuse dump site	30/06/2010	
Nedbank	10	C433615	Bank - Overdraft facility	30/09/2010	9,900
	12	C410559	One-stop Centre in support of small, micro & medium enterprises	01/07/2010	350

### ***7.12. Annual budgets and service delivery and budget implementation plans –internal departments***

In terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), the mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan (SDBIP) is approved by the Mayor within 28 days after the approval of the budget.

The Mayor must also ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the SDBIP, are made public no later than 14 days after the approval of the SDBIP.

Mossel Bay Municipality's SDBIP for the 2011/12 financial year will therefore be approved by the Mayor 28 days after the approval of the 2011/12 Annual Budget.

The Top-level SDBIP can be found in section 7.13 (pages 117 -123) of this budget document.

A brief executive summary of the each department is given below:

#### **Municipal Manager:**

##### **Description of services provided:**

The Municipal Manager is responsible for promoting good governance; ensuring effective and efficient basic service delivery; ensuring effective and efficient institutional development and transformation; ensuring effective and efficient financial viability and management; promoting participative management; strategic planning; promoting Council's objectives by ensuring tasks are implemented.

##### **Description of Senior management capability and structure:**

Dr M R Gratz – MBBCH D.A. BCom BCom )Hons)

14 Years municipal experience, 8 years as Senior Manager.

The staff compliment of the Directorate is as follows:

- 1 Personal assistant to Municipal Manager
- 1 Personal assistant to Executive Mayor
- 1 Executive Official: Strategic Services
- 1 Official: Full time Councillor support

##### **Alignment of performance objectives to IDP:**

100 % align with the SDBIP.

##### **Changes to service levels and standards:**

No significant changes to report.

##### **Past year's performance:**

Please refer to the SDBIP and Annual Report.

### Corporate Services:

#### Description of services provided:

The Directorate is responsible for support services which include the Secretariat, Typing Services, Archives, Switchboard and Cleaning, Legal Services, Human Resources, Change Management (Integrated Development Plan, Employment Equity and Performance Management System) and Socio-Economic Development (Local Economic Development, Youth Development, Ward Committees and Tourism).

#### Description of Senior management capability and structure:

E W Jantjies — B. Econ (HDE)

16 Years municipal experience, 31/2 years as Senior Manager

The sections under this directorate are as follows:

- \* SED
- \* Support services
- \* Legal services
- \* Human Resources
- \* Change Management

#### Alignment of performance objectives to IDP:

100 % align with the SDBIP.

#### Changes to service levels and standards:

No significant changes to report.

#### Past year's performance:

Please refer to the SDBIP and Annual Report.

#### Departmental Capital programme:

Corporate services only 1 % of total Capital budget.

### Financial Services:

#### Description of services provided:

Effective financial management of the Department. Deliver Financial Management and advisory services to all Departments. Reduce risk, ensure efficient and effective use of financial resources and ensure clean audit reports and sustainability within the Department.

#### Description of Senior management capability and structure:

The staff compliment of the Directorate is as follows:

- Chief Financial Officer
- 1 x Secretary
- 5 x Section Heads
- 3 x Senior Accountants
- 8 x Accountants
- 1 x Valuer
- 3 x Administrative Officers
- 3 x Data Capturers
- 2 x I.T. Technicians
- 47 x Clerks

*Alignment of performance objectives to IDP:*

100 % align with the SDBIP.

*Changes to service levels and standards:*

No changes were encountered to service levels and standards over the period covered in the MTREF.

*Past year's performance:*

All performance targets were met.

*Risks to achieving revenue projections:*

No major risks expected.

**Technical Services:***Description of services provided:*

The Technical Services Directorate is responsible for the provision and maintenance of the following infrastructure and services:

***Electricity and Street Lighting:***

Electricity is supplied to approximately 30 000 industrial, commercial and domestic customers at voltages ranging between 230V and 66000V. Approximately 10 000 streetlights and floodlights are maintained by the department. Electricity is supplied in accordance with NRS 047 and 048 Standards and the Electricity Regulation Act.

***Water and Sanitation:***

Water is supplied to approximately 33 000 customers and sanitation is supplied to 28 000 customers in accordance with the Water Services Act.

***Electricity and Street Lighting:***

Approximately 421 km of road infrastructure is maintained to various rural and urban areas.

*Description of Senior management capability and structure:*

The Directorate is managed by a Director and five Heads of Departments. The Directorate has a total staff complement of 300 employees who serve the communities from various offices/depots in Mossel Bay, Hartenbos and Great Brak.

*Changes to service levels and standards:*

Asset Management plans are developed and condition assessments are carried out to determine the remaining useful life of assets. Renewal/rehabilitation programmes are determined from the asset management plan whilst master plans provide information on the extent of infrastructure expansion required in the various areas.

**Community Services:***Description of services provided:*

The Community Services Directorate is responsible for the following services:

***Traffic and Public Safety:***

The department looks after traffic signs and road markings. They are also responsible for Law Enforcement, Driver's License and Traffic Control.

***Fire and Rescue services:***

This department's responsibility is amongst others Fire fighting & Prevention, Disaster Management and other emergency services.

***Parks and Recreation:***

The responsibility of Environment, Beaches and Sport is vested in this department.

***Waste Management:***

This department looks after Waste Management in all its forms as well as Air Noise Pollution.

***Library services:***

This department looks after 15 libraries which are situated in the municipal area including the rural areas.

**Alignment of performance objectives to IDP:**

The Directorate's performance objectives are derived from the IDP and have a direct link.

**Past year's performance:**

The directorate performed well and almost 90% of all targets were met.

**Departmental Capital programme:**

The Directorate is responsible for 15% of the municipality's capital programme. On average an expenditure rate of more than 90% is achieved and maintained.

**Development and Planning:****Description of services provided:**

The Directorate is currently responsible for planning (strategic planning and development control), building control (building plan examining, building inspectorate, maintenance of municipal buildings and outdoor advertising), human settlements (housing), environmental management, leasing and alienation of municipal properties and law enforcement pertaining to the Directorate.

**Description of Senior management capability and structure:**

The staff compliment of the Directorate is as follows:

- Director
- 3 x Heads of Sub-Directorates: Planning, Building Control and Human Settlements and Head of Legal Section
- 3 x Town Planning officials
- 3 x Section Heads: Plan Examining, Building Inspectorate and Human Settlements
- 1 x Environmentalist
- 6 x Building Inspectors
- 2 x Plan Examiners
- 2 x Building Technicians
- 12 x Administrative staff

**Alignment of performance objectives to IDP:**

Chapter 6.2 of the IDP KPA 2: LAND & INTEGRATED HUMAN SETTLEMENTS: LAND & INTEGRATED HUMAN SETTLEMENTS STRATEGY,  
BUDGET ALIGNMENT NUMBER LH.3.2.1

## DEVELOPMENT OBJECTIVE

- The Municipality acts as an Agent for National and Provincial Government to provide affordable and quality housing to all the residents of Mossel Bay;
- To facilitate the required processes to ensure that all people have access to decent and affordable housing;
- To identify available land suitable for development to local people and investors from outside the Municipal area of jurisdiction;
- To ensure that the Mossel Bay SDF is properly adhered to when development applications are approved;
- 90% spending of DORA allocations earmarked for Human Settlements;
- To identify available land provided for a new cemetery;
- To promote the development of retirement villages.

## CHALLENGES

- Insufficient funding from National and Provincial Government for all housing needs;
- Insufficient land available for Integrated Human Settlements

## DEVELOPMENT ACTIVITIES

- Involve Ward Committees to obtain data on the number of people without proper housing especially backyard dwellers;
- Review availability of suitable land to provide for business, commercial and industrial development.

## STRATEGIES/PERFORMANCE INDICATORS

- An Integrated Human Settlements Plan & Strategy be approved
- Densification as a possible housing strategy must be considered due to the lack of suitable land;
- Suitable land is to be identified;
- Cognisance must be taken that the Home Owners Education programme is proceeding well

### Changes to service levels and standards:

No changes were encountered to service levels and standards over the period covered in the MTREF.

### Past year's performance:

All performance targets were met.

### Risks to achieving revenue projections:

No major risks or shifts in revenue patterns are expected.

### Major features of expenditure & Departmental Capital programme:

Major features of expenditure (non-discretionary) are DORA-allocations for Human Settlement:

- 2011/2012 – R41 671 891
- 2012/2013 – R40 717 024
- 2013/2014 – R21 838 000

### 7.13. Measurable performance objectives and indicators

#### FINANCIAL INDICATORS

The following schedule shows various performance indicators and benchmarks:

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b><u>Borrowing Management</u></b>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.2%	0.2%	0.1%	1.8%	1.8%	1.8%	1.7%	1.4%	3.2%
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	0.2%	0.2%	-0.4%	-0.3%	-0.3%	0.1%	0.1%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	1.3%	0.2%	-1.5%	14.5%	14.1%	14.1%	-0.5%	0.6%	39.7%
<b><u>Safety of Capital</u></b>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	9.1%	10.3%	13.9%	12.2%	12.2%	12.2%	12.9%	13.8%	16.1%
Gearing	Long Term Borrowing/ Funds & Reserves	0.8%	2.7%	2.5%	177.4%	74.8%	74.8%	203.5%	-190.4%	-778.0%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	4.9	3.4	2.3	3.4	3.4	3.4	3.2	3.2	3.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	4.9	3.4	2.3	3.4	3.4	3.4	3.2	3.2	3.0
Liquidity Ratio	Monetary Assets/Current Liabilities	3.8	2.5	1.5	2.6	2.6	2.6	2.3	2.3	2.2
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		98.9%	94.3%	92.6%	92.6%	92.6%	106.1%	107.0%	108.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.3%	13.2%	14.3%	9.2%	9.7%	9.7%	9.8%	9.8%	7.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	19.0%	6.3%	5.2%	4.0%	4.0%	4.0%	4.6%	4.8%	4.0%
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b><u>Funding of Provisions</u></b>										
Provisions not funded - %	Unfunded Provs./Total Provisions	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	7.9%	5.0%	7.5%	9.0%	8.5%	8.5%	8.5%	8.0%	7.5%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	24.1%	14.9%	21.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.1%	29.4%	26.9%	29.3%	30.9%	30.9%	28.6%	28.1%	27.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	26.2%	28.3%	25.1%	28.1%	29.7%	29.7%	27.6%	27.1%	26.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.2%	7.8%	5.2%	6.0%	6.7%	6.7%	6.1%	5.4%	5.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.5%	5.5%	4.7%	5.8%	5.8%	5.8%	6.5%	6.5%	6.1%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	12.6	20.7	44.8	45.8	45.8	45.8	49.4	51.8	58.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.4%	16.5%	21.0%	11.3%	12.2%	12.2%	12.1%	11.8%	8.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	9.4	7.1	4.4	5.3	5.0	5.0	4.5	4.3	3.6

## PROVIDING CLEAN WATER AND MANAGING WASTE WATER



- \* Name of the Water Service Authority in the area and name of the Water Service Provider, and who actually manages the provision of drinking water and waste water management (if outsourced).

Mossel Bay Municipality is the Water Service Authority as well as the Water Service Provider.

- \* The Blue Drop and Green Drop performance ratings (as determined by the Department of Water Affairs) applicable to all water and waste water services within the municipality, highlighting areas that require attention.

The final blue drop and green drop evaluations by the DWA are scheduled to take place during March 2011.

Mossel Bay Municipality has embarked on the following programmes to improve the overall management and operation of the Purification and Waste Water Treatment plants:

- A maintenance plan has been completed for all mechanical and electrical machinery and preventative maintenance is being undertaken on an ongoing basis
- All process controllers have been trained and have received the necessary classification certification
- The licence registrations are in the process of being renewed.
- Waste water sample analysis are being taken on a monthly basis and tested by the in-house laboratory in accordance with the recognised proficiency testing schemes

- \* The current status of the municipality's Water Safety Plan and measures to be taken in 2011/12 and over the MTREF to implement it.

A water safety plan has been completed during February 2011 and will be submitted to DWAF as part of the final blue drop assessment during March 2011.

- \* A brief outline of problems that the municipality is experiencing with regards to the management of drinking water and sewerage.

The drought in the region forced the municipality to put saline borehole water into the system which lowered the standard of drinking water slightly. This is not an issue any more and water quality is back to the high standard. Funds were requested for laboratory equipment at the rural water works such as Friemersheim / Ruitersbos / Herbertsdale. On a larger scale the sea water desalination plant is almost complete. The water from this point will increase capacity delivery, but will deliver water at a higher cost. The upgrading of the great brak water plant will in future receive further priority as finances will become available.

The main water connection pipelines between the desalination plant towards the main water reservoirs will be the highest priority water project in the next few years at a cost in excess of R50 million.



Effluent standard was also severely reduced due to the drought and very high concentrations of input water as a large portion of dilution water was used as grey water for garden irrigation. Outflow from the Hartenbos sewerage plant was almost completely absorbed by the effluent water reclamation plant recently built to provide for water during the drought. The very limited outflow could not comply with the normal standards. After the drought this will now normalize.

The capacity of the Great Brak water treatment plant as well as the Friemersheim sewerage treatment plant has been increased to cater for future demand.

- \* An outline of the steps the municipality needs to take to address the problems noted.

Water loss control will be first priority as this is an unnecessary evil. Review of unrealistic effluent water permits are in process with DWAF.

- \* The 2011/12 budget and MTREF allocations proposed/made to fund the above measures.

Substantial amounts of money were spent in this financial year towards water and effluent services, leaving other services behind. The largest projects will be around facilitating effluent from the new Asazani/Zinyoka housing project development as well as previously unserviced erven in Great Brak, where council is not earning any income due to the unavailability of main effluent line systems.



## MEASURABLE PERFORMANCE OBJECTIVES

Mossel Bay Municipality uses the Scorecard Model of performance management, which is aimed to measure the performance of the municipality in accordance with the set objectives and key performance areas. The scorecard is reviewed on an annual basis and is populated on a high level objective point of view. These high level objectives are then cascaded into each department's individual Service Delivery and Budget Implementation Plan.

### Mossel Bay Municipality

#### Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12	2012/13	2013/14
												Quarter ending		Quarter ending		Quarter ending		Quarter				
												Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
25	Municipal Manager	Good Governance and Public Participation (GGPP)	Good Governance and Public participation	Municipal Financial Viability and Management (MFVM)	Functional Internal Audit unit	Approved Risk based audit plan by June 2011	Municipal Manager	1	Stand-alone	1	0							1	0	1	1	1
20	Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Citizen satisfaction survey conducted	Satisfaction survey conducted by May 2011	Municipal Manager	1	Stand-alone	1	0							1	0	1	1	1
17	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Effective communication with communities	Review and submission for approval of communication policy by June 2011	Municipal Manager	1	Stand-alone	1	0							1	0	1	1	1
24	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Functional performance audit committee	At least 4 meetings of the performance audit committee during the financial	Municipal Manager	4	Accumulative	4	0	1	2	1	2	1	0	1	0	4	4	4
	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Institutional Performance management system in place	Individual performance management system implemented for staff up to level 18 by 30 June	Municipal Manager	95%	Stand-alone	95%	0%	0%	90%					95%	0%	95%	95%	95%
21	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Institutional Performance management system in place	All the directors' performance agreements signed by end July Annually	Municipal Manager	100%	Stand-alone	100%	0%	100%	100%							100%	100%	100%
	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Municipality complying with at least 90% of all relevant legislation by end of financial year	% compliance with legislation	Municipal Manager	90%	Stand-alone	100%	0%	90%	100%	95%	100%	95%	0%	100%	0%	100%	100%	100%
	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	IDP reviewed and updated with the strategy changes and prioritised projects by March 2011.	IDP reviewed by March Annually	Municipal Manager	1	Stand-alone	1	0									1	1	1
12	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Improved good governance with full implementation of an anti-corruption policy by Sept.	% Implementation of anti-corruption policy by Sept	Municipal Manager	100%	Stand-alone	100%	0%	100%	100%	0%	100%	0%	0%	0%	0%	100%	100%	100%
19	Municipal Manager	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	90% of all appointments in terms of the employment equity targets set	Appointments in terms of equity plan to achieve 90% of target set	Director: Corporate Services	90%	Stand-alone	90%	0%	90%	100%	90%	90%	90%	0%	90%	0%	90%	90%	90%
26	Corporate Services	Good Governance and Public Participation (GGPP)	Good Governance and Public participation	Municipal Financial Viability and Management (MFVM)	Test IDP and sectoral plans for alignment with the Spatial development plan	% alignment achieved by June 2011	Director: Corporate Services	100%	Stand-alone	100%	0%					100%	0%			100%	100%	100%
11	Corporate Services	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	IDP endorsed by all wards	Number of public participation meetings to discuss endorsing of the IDP	Director: Corporate Services	12	Stand-alone	12	0	12	0							12	12	12

## Mossel Bay Municipality

## Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target		
												Quarter ending		Quarter ending		Quarter ending		Quarter						
												Target	Actual	Target	Actual	Target	Actual	Target	Actual					
14	Corporate Services	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	IDP endorsed by community organisations and stakeholders as local social compacts	% of community organisations and stakeholders endorsing IDP	Director: Corporate Services	100%	Stand-alone	100%	0%					100%	0%					100%	100%	100%
13	Corporate Services	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	IDP to include all 4 required sectoral plans when approved by March 2011	No of required sectoral plans included	Director: Corporate Services	4	Stand-alone	4	0					4	0					4	4	4
16	Corporate Services	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Strengthen role of communities	Ward based development plan completed	Director: Corporate Services	1	Stand-alone	1	0					1	0					1	1	1
7	Corporate Services	Local Economic Development (LED)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Reviewed and aligned LED strategy approved by 30 September	LED strategy reviewed and updated by September Annually	Director: Corporate Services	1	Stand-alone	1	0	1	0									1	1	1
28	Corporate Services	Municipal Transformation and Institutional Development (MTID)	Good Governance and Public participation	Governance and Communication (GC)	Effective and up to date HR policies	Annual revision of all HR policies by June 2011	Director: Corporate Services	4	Accumulative	4	0	1	1	1	1	1	0	1	0			4	4	4
29	Corporate Services	Municipal Transformation and Institutional Development (MTID)	Good Governance and Public participation	Governance and Communication (GC)	Targeted skills development by implementing 100% of the skills development plan for 2010/11 by June 2011.	% Implementation of skills development plan	Director: Corporate Services	100%	Carry Over	100%	0%	25%	25%	50%	66%	75%	66%	100%	66%			100%	100%	100%
30	Corporate Services	Municipal Transformation and Institutional Development (MTID)	Good Governance and Public participation	Governance and Communication (GC)	Targeted skills development	The percentage of budget spent on implementing its workplace skills plan	Director: Corporate Services	100%	Carry Over	100%	0%	25%	10%	50%	66%	75%	66%	100%	66%			100%	100%	100%
27	Corporate Services	Municipal Transformation and Institutional Development (MTID)	Good Governance and Public participation	Municipal Financial Viability and Management (MFVM)	Effective labour relations via discussions at regular LLF meetings	Nine LLF meetings for the financial year	Director: Corporate Services	10	Accumulative	10	9	3	2	2	3	2	0	2	0			10	10	10
32	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Management	Municipal Financial Viability and Management (MFVM)	Monthly management of assets by maintaining and updating the asset register	95% of asset register updated monthly	Director: Financial Services	95%	Stand-alone	95%	0%	95%	95%	95%	95%	95%	0%	95%	0%			95%	95%	95%
35	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Management	Municipal Financial Viability and Management (MFVM)	Actions to get clean audit	% of Root causes of issues raised by AG in AG report addressed	Director: Financial Services	100%	Stand-alone	100%	0%					100%	0%					100%	100%	100%
37	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Management	Municipal Financial Viability and Management (MFVM)	Effective SCM system	Effective SCM system by not having any successful appeals against SCM for thr financial year	Director: Financial Services	0%	Zero %	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			0%	0%	0%
33	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Management	Municipal Financial Viability and Management (MFVM)	Improved revenue collection	Improved revenue collection by collecting 93% of invoices raised for the year	Director: Financial Services	95%	Stand-alone	95%	93%	95.00%	94.43%	93%	95.96%	93%	0%	93%	0%			95%	95%	95%
36	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Management	Municipal Financial Viability and Management (MFVM)	Preparation of financial statements	Preparation and submission of financial statements by 31 Aug	Director: Financial Services	1	Stand-alone	1	0	1	1									1	1	1
34	Financial Services	Municipal Financial Viability and Management (MFVM)	Municipal Financial Viability and Manaeement	Municipal Financial Viability and Management (MFVM)	Updated indigent register for the provision of free basic services	Updated indigent register by February Annually	Director: Financial Services	1	Stand-alone	1	0					1	0					1	1	1

## Mossel Bay Municipality

## Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target
												Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual			
41	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Maintenance of grave yards	% of maintenance budget of grave yards spent	Director: Community Services	100%	Carry Over	100%	0%	25%	25%	50%	41%	75%	41%	100%	41%	100%	100%	100%
40	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Effective maintenance of grave yards through the implementation of the maintenance plan	Development and implementation of maintenance plan for grave yards and cemeteries by June	Director: Community Services	1	Stand-alone	1	-							1	-	1	1	1
43	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	Director: Community Services	100%	Carry Over	100%	0%	25%	35%	50%	50%	75%	50%	100%	50%	100%	100%	100%
42	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Effective maintenance of halls and facilities through the implementation of the maintenance plan	Development and implementation of maintenance plan for halls and facilities	Director: Community Services	1	Stand-alone	1	-			1	1					1	1	1
39	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Effective maintenance of recreational areas through the implementation of the maintenance plan	% of maintenance budget of recreational areas spent	Director: Community Services	100%	Carry Over	100%	0%	25%	14%	50%	51%	75%	51%	100%	51%	100%	100%	100%
38	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Effective maintenance of recreational areas through the implementation of the maintenance plan	Development and implementation of maintenance plan for recreational areas	Director: Community Services	1	Stand-alone	1	-			1	1					1	1	1
48	Community Services	Basic Service Delivery (BSD)	Ensure safe and secure environment for the communities of Mossel Bay.	Community Safety and Security (CSS)	Management of effective fire brigade service	% of Fire Brigade service that meets agreed standards	Director: Community Services	2%	Stand-alone	2%	70%			70%	0%	70%	0%	70%	0%	2%	2%	2%
46	Community Services	Basic Service Delivery (BSD)	Ensure safe and secure environment for the communities of Mossel Bay.	Community Safety and Security (CSS)	Reviewed Disaster Management Framework/ Plan	Disaster Management Framework/ Plan reviewed by June Annually	Director: Community Services	1	Carry Over	1%	0%					1%	0%	1%	0%	1%	1%	1%
69	Community Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Effective capital spending	% spent of approved waste management capital projects	Director: Community Services	90%	Carry Over	90%	0%	10%	11%	10%	11%	10%	11%	80%	11%	90%	90%	90%
70	Community Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Effective maintenance of refuse removal assets through the implementation of the maintenance plan	Development and implementation of maintenance plan for refuse removal assets	Director: Community Services	50%	Carry Over	50%	0%	15%	33%	15%	33%	15%	59%	15%	59%	50%	50%	50%
71	Community Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	Director: Community Services	100%	Carry Over	100%	0%	25%	33%	25%	59%	25%	59%	25%	59%	100%	100%	100%
68	Community Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Percentage of Households receiving free basic refuse removal	% of Households	Director: Community Services	100%	Stand-alone	100%	0%							100%	0%	100%	100%	100%
47	Community Services	Basic Service Delivery (BSD)	Ensure safe and secure environment for the communities of Mossel Bay.	Community Safety and Security (CSS)	Develop and implement a comprehensive law enforcement strategy	Develop and implement a comprehensive law enforcement strategy	Director: Community Services	100%	Stand-alone	4	100%	0	0	0	1	100%	0	0	0	4	4	4
9	Community Services	Local Economic Development (LED)	Investor friendly environment and job opportunities created with an attractive CBD area and a well developed port / waterfront area	Economic Development and Tourism (EDT)	Employment through job creation schemes	No of permanent jobs created	Director: Community Services; Director: Corporate Services	5	Stand-alone	5	0					5	0			5	5	5
8	Community Services	Local Economic Development (LED)	Investor friendly environment and job opportunities created with an attractive CBD area and a well developed port / waterfront area	Economic Development and Tourism (EDT)	Employment through job creation schemes	No of temporary jobs created	Director: Community Services; Director: Corporate Services	400	Accumulative	400	0	100	230	100	419	100	0	100	0	400	400	400
50	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Percentage of Households with no recreational areas	100% of new developments to make provision for open spaces to be used as recreational areas	Director: Community Services	3%	Zero %	3%	100%	0%	0%	100%	0%	100%	0%	100%	0%	3%	3%	3%
49	Community Services	Basic Service Delivery (BSD)	Upgraded sport and recreation facilities with more youth involved in sport and recreational activities.	Sport, Recreation and Culture (SRC)	Effective maintenance of sports fields through the implementation of the maintenance plan	Development and implementation of maintenance plan for sport fields	Director: Community Services	100%	Carry Over	100%	0%	25%	14%	50%	38%	75%	43%	100%	43%	100%	100%	100%

## Mossel Bay Municipality

## Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target
												Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual			
73	Technical Services	Basic Service Delivery (BSD)	Gravel roads to be tarred, tarred roads upgraded or rebuilt, parking bays provided, pedestrian walkways provided to ensure safety of pedestrians	Development of New Services and Infrastructure (DNSI)	Effective capital spending	% spent of approved municipal roads capital projects	Director: Technical Services	'98	Carry Over	100%	0%	10%	9%	30%	50%	60%	50%	100%	50%	100%	100%	100%
72	Technical Services	Basic Service Delivery (BSD)	Gravel roads to be tarred, tarred roads upgraded or rebuilt, parking bays provided, pedestrian walkways provided to ensure safety of pedestrians	Development of New Services and Infrastructure (DNSI)	1.2 Km of new road for previously unserviced areas tarred by June	No of kilometres tarred	Director: Technical Services	1.2 km	Accumulative	1.2	0							1.2	0			
75	Technical Services	Basic Service Delivery (BSD)	Gravel roads to be tarred, tarred roads upgraded or rebuilt, parking bays provided, pedestrian walkways provided to ensure safety of pedestrians	Development of New Services and Infrastructure (DNSI)	Effective maintenance of municipal roads through the implementation of the maintenance plan	Development and implementation of maintenance plan for municipal roads	Director: Technical Services	95%	Carry Over	100%	0%	15%	16%	45%	30%	70%	30%	100%	30%	100%	100%	100%
74	Technical Services	Basic Service Delivery (BSD)	Gravel roads to be tarred, tarred roads upgraded or rebuilt, parking bays provided to ensure safety of pedestrians	Development of New Services and Infrastructure (DNSI)	Maintenance of municipal roads	% of roads patched and resealed according to approved maintenance plan	Director: Technical Services	25%	Accumulative	25%	0%			5%	10%	10%	0%	10%	0%	25%	25%	25%
54	Technical Services	Basic Service Delivery (BSD)	Storm water drainage system upgraded and provided where not existing.	Development of New Services and Infrastructure (DNSI)	Effective capital spending	% spent of approved stormwater capital projects	Director: Technical Services	98%	Carry Over	100%	0%	10%	18%	30%	30%	60%	30%	100%	30%	100%	100%	100%
55	Technical Services	Basic Service Delivery (BSD)	Storm water drainage system upgraded and provided where not existing.	Development of New Services and Infrastructure (DNSI)	Effective maintenance of municipal stormwater assets through the implementation of the maintenance plan	Development and implementation of maintenance plan for municipal stormwater assets	Director: Technical Services	95%	Carry Over	100%	0%	20%	20%	40%	40%	70%	40%	100%	40%	100%	100%	100%
56	Technical Services	Basic Service Delivery (BSD)	Storm water drainage system upgraded and provided where not existing.	Development of New Services and Infrastructure (DNSI)	Maintenance of stormwater assets	% of maintenance budget of stormwater spent	Director: Technical Services	95%	Carry Over	100%	0%	20%	16%	40%	40%	70%	40%	100%	40%	100%	100%	100%
53	Technical Services	Basic Service Delivery (BSD)	Storm water drainage system upgraded and provided where not existing.	Development of New Services and Infrastructure (DNSI)	Continuous provisioning of stormwater systems to households in informal areas	Percentage of Households with stormwater system - Informal areas	Director: Technical Services	18%	Stand-alone	82%	40%	82%	0%	40%	59.00%	40%	59%	40%	0.00%	85%	87%	89%
52	Technical Services	Basic Service Delivery (BSD)	Storm water drainage system upgraded and provided where not existing.	Development of New Services and Infrastructure (DNSI)	Continuous provisioning of stormwater systems to households in formal areas	Percentage of Households with stormwater system - Formal areas	Director: Technical Services	94%	Stand-alone	6%	100%	6%	0%	100%	59.00%	100%	59.00%	100%	0.00%	94%	94%	94%
65	Technical Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Improvement of refuse sites' capacity by >>>>> m3 before June 2011	% improvement with >>>>> m3	Director: Community Services	5%	Carry Over	5%	0%					2.50%	0.00%	5%	0%	5%	5%	5%
66	Technical Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Provisioning of sanitation services to households in formal areas on weekly basis	Number of Households that meet agreed sanitation service standards (at least once a week) - Formal areas	Director: Technical Services	23621	Stand-alone	23,621	0	23621	5,905	23621	5,905	23621	0	23621	0	23,621	23,621	23,621
67	Technical Services	Basic Service Delivery (BSD)	Communities living in clean and healthier environment.	Community Development, Education and Health (CDEH)	Provisioning of sanitation services to households in informal areas on weekly basis	Number of Households that meet agreed sanitation service standards (at least once a week) - Informal areas	Director: Technical Services	1020	Stand-alone	1,020	0	1,020	1,020	1,050	1,050	1,100	1,050	1,200	1,050	1,020	1,020	1,020
62	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people	Development of New Services and Infrastructure (DNSI)	Effective capital spending	% spent of approved waste water management capital projects	Director: Technical Services	94%	Carry Over	100%	0%	10%	10%	30%	40%	60%	40%	100%	40%	100%	100%	100%
63	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people	Development of New Services and Infrastructure (DNSI)	Effective maintenance of municipal sanitation assets through the implementation of the maintenance plan	Development and implementation of maintenance plan for municipal sanitation assets	Director: Technical Services	95%	Carry Over	100%	0%	20%	51%	40%	51%	70%	51%	100%	51%	100%	100%	100%
64	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people	Development of New Services and Infrastructure (DNSI)	Maintenance of sanitation assets	% of maintenance budget of sanitation spent	Director: Technical Services	95%	Carry Over	100%	0%	20%	50%	40%	50%	70%	50%	100%	50%	100%	100%	100%
60	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people	Development of New Services and Infrastructure (DNSI)	Number of Households receiving basic sanitation	Number of Households receiving basic sanitation	Director: Technical Services	23621	Accumulative	23,621	0	23621	5,905	23621	5,905	23621	1	23621	0	23,621	23,621	23,621

## Mossel Bay Municipality

## Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target
												Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual	Quarter ending Target	Quarter ending Actual			
61	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people	Development of New Services and Infrastructure (DNSI)	Management of the quality of waste water discharge on continuous basis	% water quality level of waste water discharge	Director: Technical Services	92%	Carry Over	95%	65%	92.50%	64.00%	65%	64.00%	65%	64.00%	65%	64%	95%	95%	95%
58	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people of Asazani / Zinyoka and other affected areas currently using bucket system.	Development of New Services and Infrastructure (DNSI)	Delivering sanitation services to households in formal areas at agreed sanitation service standards on monthly basis	Number of Households that meet agreed sanitation service standards (at least VIP on site) - Formal areas	Director: Technical Services	23621	Stand-alone	23,621	0	23621	5,905	23621	5,905	23621	1	23621	0	23,621	23,621	23,621
59	Technical Services	Basic Service Delivery (BSD)	Decent sanitation provided for the people of Asazani / Zinyoka and other affected areas currently using bucket system.	Development of New Services and Infrastructure (DNSI)	Delivering sanitation services to households in informal areas at agreed sanitation service standards on monthly basis	Number of Households that meet agreed sanitation service standards (at least VIP on site) - Informal areas	Director: Technical Services	1020	Stand-alone	1,020	0	1,020	1,020	1,050	1,050	1,100	1,050	1,200	1,050	1,020	1,020	1,020
57	Technical Services	Basic Service Delivery (BSD)	Upgraded Sewerage system and networks. Sewer plants upgraded in Pinnacle Point, Great Brak, Friemersheim and Midbrak network.	Development of New Services and Infrastructure (DNSI)	Improvement of sanitation system capacity by >>>>>m3 by June 2011	% improvement	Director: Technical Services	5%	Carry Over	5%	0%	0%	1%	0%	1%	2.50%	1.00%	5%	1%	5%	5%	5%
97	Technical Services	Basic Service Delivery (BSD)	Ensure that services are not interrupted due to lack of maintenance	Development of New Services and Infrastructure (DNSI)	Maintenance of pumpstations	% of approved maintenance plan executed	Director: Technical Services	75%	Stand-alone	75%	0%	75%	80%	75%	80%	75%	0%	75%	0%	75%	75%	75%
92	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Effective capital spending	% spent of approved electricity capital projects	Director: Technical Services	95%	Carry Over	95%	0%	20%	29%	40%	60%	60%	60%	95%	60%	95%	95%	95%
96	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Implementation of Energy Efficient Measures	% of DOE Allocation Spent	Director: Technical Services	100%	Carry Over	100%	0%	20%	100%	40%	100%	60%	100%	100%	100%	100%	100%	100%
86	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Improvement of electricity distribution capacity by>>>>>>> at 30 June 2011	% improvement	Director: Technical Services	3%	Carry Over	3%	0%					1.50%	0.00%	1.50%	0.00%	3%	3%	3%
95	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Improvement of street lighting/security lighting by 50 additional lights at 30 June 2011	no. of new street lights installed	Director: Technical Services	50	Accumulative	50	0	10	19	10	11	10	0	20	0	50	50	50
93	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Effective maintenance of municipal electricity assets through the implementation of the maintenance plan	Development and implementation of maintenance plan for municipal electricity assets	Director: Technical Services	75%	Stand-alone	75%	0%	75%	98%	75%	286%	75%	0%	75%	0%	75%	75%	75%
94	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Maintenance of electricity assets	% of maintenance budget of electricity spent	Director: Technical Services	100%	Carry Over	100%	0%	25%	30%	50%	60%	75%	60%	95%	60%	100%	100%	100%
87	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	New electricity connections completed by 30 June 2011	No of new electricity connections	Director: Technical Services	400	Accumulative	400	0	100	223	100	100	100	0	100	0	400	400	400
90	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Effective management of electricity to minimise electricity losses	% of electricity losses calculated as KW billed/ KW used by municipality	Director: Technical Services	10%	Zero %	10%	0%	10%	8%	10%	0%	10%	0%	0%	0%	10%	10%	10%
88	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Delivering electricity services to households in formal areas at agreed service standards on monthly basis	Percentage of Households that meet agreed service standards (connected to the national grid) - Formal areas	Director: Technical Services	23621	Stand-alone	23621	0%	23621		23621		23621	0.00%	23621	0.00%	23621	23621	23621

**Mossel Bay Municipality**  
**Top Layer SDBIP**

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target
												Quarter ending		Quarter ending		Quarter ending		Quarter				
												Target	Actual	Target	Actual	Target	Actual	Target	Actual			
89	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Delivering electricity services to households in informal areas at agreed service standards on monthly basis	Percentage of Households that meet agreed service standards (connected to the national grid) -Informal areas	Director: Technical Services	1020	Stand-alone	1020	0%	1020	95%	1020	100%	1020	0%	1020		1020	1020	1020
91	Technical Services	Basic Service Delivery (BSD)	Safer communities created by providing street lighting and basic electricity services in all affected areas.	Development of New Services and Infrastructure (DNSI)	Implement council policy to provide free basic electricity to qualifying households on monthly basis	Percentage of Households receiving free basic electricity	Director: Technical Services	70%	Stand-alone	70%	0%	70%	100%	70%	100%	70%	0%			70%	70%	70%
83	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Effective capital spending	% spent of approved water capital projects	Director: Technical Services	99%	Carry Over	100%	0%	10%	12%	30%	63%	60%	63%	100%	63%	100%	100%	100%
82	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Effective management of water to achieve blue drop status	% water quality level as per blue drop project	Director: Technical Services	96,2%	Stand-alone	90%	0%	96%	99%	96%	98%	96%	0%	96%	0%	90%	90%	90%
76	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Improvement of water purification system capacity by >>>>>>>m3 by 30 June	% improvement	Director: Technical Services	6%	Carry Over	6%	0%			2%	50%	4%	50%	6%	50%	6%	6%	6%
84	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Effective maintenance of municipal water assets through the implementation of the maintenance plan	Development and implementation of maintenance plan for municipal water assets	Director: Technical Services	95%	Carry Over	100%	0%	20%	52%	40%	60%	70%	60%	100%	60%	100%	100%	100%
85	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Maintenance of water assets	% of maintenance budget of water spent	Director: Technical Services	95%	Carry Over	100%	0%	20%	26%	40%	50%	70%	50%	100%	50%	100%	100%	100%
77	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	New water connections completed by 30 June 2011	No of new water connections	Director: Technical Services	287	Carry Over	300	0	75	34	150	500	225	500	300	500	300	300	300
79	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Delivering water services to households in informal areas at agreed service standards on monthly basis	Number of Households that meet agreed service standards (cleaned piped water 200m from household) - Informal areas	Director: Technical Services	1020	Stand-alone	1,020	0	1,020	1,020	1,050	1,050	1,100	1,050	1,200	1,050	1,020	1,020	1,020
78	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Delivering water services to households in formal areas at agreed service standards on monthly basis	Number of Households that meet agreed service standards (cleaned piped water 200m from household) - Formal areas	Director: Technical Services	23621	Stand-alone	23,621	0	23621	5,905	23621	5,905	23621	500	23621	0	23,621	23,621	23,621
80	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Effective management of water to minimise electricity losses	% calculated as KL billed/ KL used by municipality	Director: Technical Services	10%	Zero %	10%	0%	10%	0%	10%	0%	10%	0%	10%	0%	10%	10%	10%
81	Technical Services	Basic Service Delivery (BSD)	Enlarged and upgraded bulk water storage capacity, to ensure that all residents of the mun area have access to clean water and access to portable water and to minimize water losses	Development of New Services and Infrastructure (DNSI)	Improve delivery of water to residents by identifying and spending external funds for improving water capacity.	Percentage of funds received from External sources for water spent	Director: Technical Services	100%	Carry Over	100%	0%	20%	20%	40%	100%	70%	100%	100%	100%	100%	100%	100%

## Mossel Bay Municipality

## Top Layer SDBIP

Ref	Directorate	National KPA	IDP Goal/Objective	Municipal KPA	KPI Name	Unit of Measurement	Program Driver	Baseline	KPI Calculation Type	Annual Target	Revised Target	2010/11								2011/12 Target	2012/13 Target	2013/14 Target	
												Quarter ending		Quarter ending		Quarter ending		Quarter ending					
												Target	Actual	Target	Actual	Target	Actual	Target	Actual				
10	Development & Planning	Good Governance and Public Participation (GGPP)	Policies and by-laws in line with spatial development framework are developed and implemented	Spatial Development and Environment (SDE)	Annual updating of MSDF by means of report submitted in Committee cycle by 30 June	Spatial development plan aligned with PSDF and PGDS and submitted	Director: Development Planning and Housing	1	Stand-alone	1	0	0	0	2	0	2	0	1	1	0	1	1	1
45	Development & Planning	Basic Service Delivery (BSD)	Enable decent and affordable housing provision in terms of the Constitution to all residents of Mossel Bay.	Land and Integrated Human Settlements (LIHS)	All existing informal settlements to be formalised with land use plans for economic and social facilities and with the provision of permanent basic services	Percentage of annual DORA allocations spent by means of report submitted in Committee cycle by 30 June	Director: Development Planning and Housing	100%	Stand-alone	100%	0%	0%	50%	0%	135%		100%	0%	100%	100%	100%	100%	
44	Development & Planning	Basic Service Delivery (BSD)	Enable decent and affordable housing provision in terms of the Constitution to all residents of Mossel Bay.	Land and Integrated Human Settlements (LIHS)	Implementation of Integrated Human Settlement Strategy	Updating of IHS Plan annually by means of report submitted in Committee cycle by 30 June	Director: Development Planning and Housing	1	Stand-alone	1	0						1		1	1	1	1	
31	Development & Planning	Municipal Transformation and Institutional Development (MTID)	Policies and by-laws in line with spatial development framework are developed and implemented	Spatial Development and Environment (SDE)	Maintaining effective and up to date By-laws	Development of at least one Pre-cinct Plan annually by means of report submitted in Committee cycle by 30 June	Director: Corporate Services and Director: Development Planning and Housing	1	Stand-alone	1	0						1	0%	1	1	1	1	
23	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Submission of Annual performance report to Council	Annual report and oversight report of Council submitted before legislative deadline	Municipal Manager	1	Stand-alone	1	0					1	0			1	1	1	
4	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Approval of adjustments budget	Approval of adjustments budget before legislative deadline (Jan 2011)	Municipal Manager	1	Stand-alone	1	0					1				1	1	1	
3	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Approval of Main budget	Approval of Main budget before legislative deadline (May 2011)	Municipal Manager	1	Stand-alone	1	0						1	0	1	1	1	1	
5	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Approval of SDBIP	Approval of SDBIP before legislative deadline (June 2011)	Municipal Manager	1	Stand-alone	1	0						1	0	1	1	1	1	
2	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Manage functioning of committee system effectively	No of sec 79 committee meetings per committee per annum	Municipal Manager	11	Accumulative	11	10	3	3	3	2	3	0	1	0	11	11	11	
1	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Effective functioning of council	No of council meetings	Municipal Manager	4	Accumulative	4	0	1	3	1	2	1	0	1	0	4	4	4	
18	Council	Good Governance and Public Participation (GGPP)	To ensure good relations between municipality and its communities.	Governance and Communication (GC)	Effective functioning of ward committees	6 ward committee meetings for each ward per annum	Municipal Manager	72	Accumulative	72	0	18	24	18	6	18	0	18	0	72	72	72	
New	Community Services	Good Governance and Public Participation (GGPP)	Financial Compliance & Good Practice	Governance and Communication (GC)	Establishment of functional Disaster Management Forum by September 2011.	Disaster Management Forums established and % functional	Director: Community Services	0	Carry Over	100%	0			100					100%	100%		100%	



#### 7.14. Legislative compliance status

Compliance with the MFMA requirements has been substantially adhered to through the following activities:

- Budget and Treasury Office: This office has been established in accordance with the MFMA.
- Budgeting: The annual budget is prepared in accordance with the MFMA and National Treasury regulations and requirements.
- Financial reporting: 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government and National Treasury.
- Annual Financial Statements: The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance.
- Annual report: The annual report is prepared in accordance with the MFMA and National Treasury requirements.





# **ANNEXURE A**

## **2011/12 DRAFT TARIFF LIST**

Mossel Bay Municipality

# TARIFFS 2011/2012

2010/11

2011/12

## **1 DEPOSITS**

### **1.1 Electricity (Credit meters) deposits**

Domestic (up to 50 Amp)		<b>R1,100.00</b>	<b>R1,200.00</b>
Pre-paid consumers on credit meter tariffs		<b>R600.00</b>	<b>R660.00</b>
Businesses : Single phase	15 Amp - 30 Amp	<b>R1,100.00</b>	<b>R1,200.00</b>
	45 Amp - 60 Amp	<b>R1,200.00</b>	<b>R1,300.00</b>
Household : 3-Phase	30 Amp - 50 Amp		<b>R3,000.00</b>
	60 Amp - 90 Amp		<b>R5,000.00</b>
Businesses : 3-Phase	30 Amp	<b>R2,600.00</b>	<b>R2,860.00</b>
	45 Amp	<b>R3,100.00</b>	<b>R3,410.00</b>
	50 Amp	<b>R4,500.00</b>	<b>R4,950.00</b>
	60 Amp	<b>R6,200.00</b>	<b>R6,820.00</b>
	90 Amp	<b>R7,200.00</b>	<b>R7,920.00</b>
Light Industrial	up to 100 KVA	<b>R6,000.00</b>	<b>R6,600.00</b>
Bulk	above 100 KVA	<b>R12,000.00</b>	<b>R13,200.00</b>
Time Of Use		<b>R30,000.00</b>	<b>R30,000.00</b>

### **1.2 Commercial, Businesses, Industrial (Council Res. F190-7/2004)**

- a) Deposits on Businesses: the same as the highest bill for the last 12 months for Water, Electricity and Refuse.
- b) New connections at new extensions of businesses: The same as (a) above
- c) In the case of various differences: Deposits must be as consumptions.

### **1.3 Water and other services deposits**

Subsidised	<b>R250.00</b>	<b>R270.00</b>
Economic	<b>R600.00</b>	<b>R650.00</b>
Additional household or business units	<b>R300.00</b>	<b>R300.00</b>
Medium Consumers bigger than 25 mm	<b>R2,700.00</b>	<b>R3,000.00</b>
Bulk Consumers more than 1000 kl	<b>R10,000.00</b>	<b>R11,000.00</b>

### **1.4 Builders deposits**

**Page 29** **Page 29**

### **1.5 Refundable deposit for use of Harry Giddy Park**

**Page 35** **Page 36**

### **1.6 Posters/Placards (Maximum 100)**

	<b>Per Poster/Placard</b>	<b>R10.00</b>	<b>each</b>	<b>R12.00</b>	<b>each</b>
<b>Note:</b>	Refundable on removal	<b>R8.00</b>	<b>each</b>	<b>R9.00</b>	<b>each</b>
	Administration cost	<b>R2.00</b>	<b>each</b>	<b>R3.00</b>	<b>each</b>

### **1.7 Posters/Placards Political Parties**

**R850.00** **R880.00**

- a) The deposit will only be refunded once the Director: Community services has certified that all posters/placards have been removed within 48 hours after the specific election.

### **1.8 Breakage deposits - Sport facilities**

**Page 19 & 21** **Page 18 to 21**

**- Halls and Club houses**

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **2 ELECTRICITY TARIFF CHARGES**

### **2.1 SCALE 1 - DOMESTIC SUPPLY**

#### **2.1.1 Tariff 1.A Two part tariff (Credit and Prepaid Meters) (1, 52, 63, 64, 77)**

a) a fixed monthly charge per meter irrespective of the ampere capacity of supply	<b>R148.54 + VAT</b>	<b>R178.81 + VAT</b>
b) an energy charge:		
0-20 kwh Free	<b>R0.00</b>	<b>R0.00</b>
> 20 kwh :	<b>R0.637 + VAT</b>	<b>R0.767 + VAT</b>

Note: Any capacity above 50 amp must be approved by the Electro technical Engineer.

#### **2.1.2 Tariff 1.B One part tariff (Permanent occupiers with pre-paid meters) (51, 61, 62, 99)**

Energy charge	<b>R0.00</b>	<b>R0.00</b>
0 - 20 kwh		
>20 kwh	<b>R0.842 + VAT</b>	<b>R1.014 + VAT</b>

#### **Criteria in order to qualify for tariff 1.B above:**

That all household consumers on the one part tariff for electricity (pre-paid meters) who use an average of 400 kwh or less units per month, based on the average use of the past four months be transferred to the two-part tariff for household consumers (Tariff 1.A above), with the exception of the following consumers:

- All indigent and poor household consumers as defined in the credit control policy of Council
- All consumers identified as permanent inhabitants for at least 9 months. To be identified as such a consumer has to hand in sworn affidavit from any Commissioner of Oath.

#### **2.1.3 Tariff 1.C (Prepaid tariffs for Indigent households) (53, 65, 66, 73, 78)**

Energy charge	<b>R0.00</b>	<b>R0.00</b>
0 - 50 kwh		
>50 kwh	<b>R0.624 + VAT</b>	<b>R0.752 + VAT</b>

#### **2.1.4 Tariff 1.D (Three phase) (10, 71, 72) (Credit and prepaid meters)**

a) a fixed monthly charge at	<b>R31.28 + VAT</b>	<b>R15.00 + VAT</b>
per 3-phase ampere		
b) an energy charge of	<b>R0.00</b>	<b>R0.00</b>
0-20 kwh		
> 20 kwh	<b>R0.603 + VAT</b>	<b>R0.726 + VAT</b>

### **2.2 SCALE 2 - COMMERCIAL SUPPLY**

#### **2.2.1 Tariff 2.A (SINGLE PHASE CREDIT METERS) (2)**

a) a fixed monthly charge at (55, 67)	<b>R11.35 + VAT</b>	<b>R13.66 + VAT</b>
per ampere		
b) an energy charge of	<b>R0.548 + VAT</b>	<b>R0.660 + VAT</b>
per unit consumed		

#### **2.2.2 Tariff 2.B (SINGLE PHASE PRE-PAID METERS) (55, 67)**

a) no fixed monthly charge		
b) an energy charge of	<b>R0.920 + VAT</b>	<b>R1.108 + VAT</b>
per unit consumed		

Note: Only circuit breakers with ampere of 15A, 30A, 45A and 60A shall be allowed.

A circuit breaker with ampere of 5A will be allowed provided consumption does not exceed 15 units per month.

#### **2.2.3 Tariff 2.C (THREE PHASE CREDIT METERS) (3)**

a) a fixed monthly charge at	<b>R26.97 + VAT</b>	<b>R32.47 + VAT</b>
per 3-phase ampere		
b) an energy charge of	<b>R0.520 + VAT</b>	<b>R0.626 + VAT</b>
per unit consumed		

#### **2.2.4 Tariff 2.D (THREE PHASE PRE-PAID METERS) (55, 67)**

a) no fixed monthly charge		
b) an energy charge of	<b>R0.920 + VAT</b>	<b>R1.108 + VAT</b>
per unit consumed		

Note: Only circuit breakers with a ampere of 30A, 45A, 60A and 90A shall be allowed.

# TARIFFS 2011/2012

2010/11

2011/12

## **2 ELECTRICITY TARIFF CHARGES (Continues)**

### **2.3 SCALE 3 - LIGHT INDUSTRIAL (40 KVA TO 100 KVA) (4, 5)**

a) a fixed monthly charge,		<b>R511.93 + VAT</b>	<b>R616.26 + VAT</b>
b) plus a demand charge	per KVA with a min. of 40 KVA plus	<b>R90.69 + VAT</b>	<b>R109.17 + VAT</b>
c) plus an energy charge of	per unit consumed	<b>R0.458 + VAT</b>	<b>R0.55 + VAT</b>

### **2.4 SCALE 4 - BULK SUPPLY (IN EXCESS OF 100 KVA) (6, 7)**

a) a fixed monthly charge,		<b>R1,184.96 + VAT</b>	<b>R1,426.45 + VAT</b>
b) plus a demand charge of	Min. of 100 KVA, plus	<b>R112.91 + VAT</b>	<b>R135.92 + VAT</b>
c) plus an energy charge of	per unit consumed	<b>R0.373 + VAT</b>	<b>R0.450 + VAT</b>

### **2.5 SCALE 5 - SPECIAL BULK SUPPLY (26)**

a) a fixed monthly charge,	Load factor must be above 45%	<b>R1,242.67 + VAT</b>	<b>R1,495.93 + VAT</b>
b) plus an energy charge			
Off peak:		<b>R0.300 + VAT</b>	<b>R0.361 + VAT</b>
Standard:		<b>R0.725 + VAT</b>	<b>R0.873 + VAT</b>
Peak :		<b>R1.250 + VAT</b>	<b>R1.504 + VAT</b>

### **2.6 SCALE 6 - MOSSGAS (KLIPHEUWEL) (40, 41)**

a) a fixed monthly charge,		<b>R1,250.29 + VAT</b>	<b>R1,505.10 + VAT</b>
b) plus a demand charge of	per KVA, plus	<b>R111.78 + VAT</b>	<b>R134.56 + VAT</b>
c) plus an energy charge of	per unit consumed	<b>R0.343 + VAT</b>	<b>R0.413 + VAT</b>

### **2.7 SCALE 7 - AGRICULTURAL SUPPLY (19)**

a) an energy charge of per unit consumed	(below 2000 units)	<b>R1.042 + VAT</b>	<b>R1.255 + VAT</b>
b) an energy charge of per unit consumed	(above 2000 units)	<b>R0.824 + VAT</b>	<b>R0.992 + VAT</b>

### **2.8 SCALE 8 - AGRICULTURAL SUPPLY (50)** **(OFF-PEAK TARIFF - WATER PUMPING ONLY)**

a) an energy charge of	per unit consumed	<b>R0.571 + VAT</b>	<b>R0.687 + VAT</b>
------------------------	-------------------	---------------------	---------------------

### **2.9 SCALE 9 - STREET LIGHTING**

1. Municipality & Private Street lighting where electricity supply is metered (15)			
a) an energy charge of	per unit consumed	<b>R0.441 + VAT</b>	<b>R0.530 + VAT</b>
2. Private Street lighting where electricity supply is not metered. (14)			
a) a fixed monthly charge of	per light point	<b>R52.24 + VAT</b>	<b>R62.89 + VAT</b>

# TARIFFS 2011/2012

2010/11

2011/12

## **2 ELECTRICITY TARIFF CHARGES (Continues)**

### **2.10 SCALE 10 - SPORTS FIELDS LIGHTING (56, 69)**

#### **Van Riebeeck Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

#### **D'Almeida Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

#### **Extension 23 Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

#### **Kwanonqaba Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

#### **Great brak Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

#### **Hartenbos Sports grounds:**

Pre-paid	Per kwh	<b>R0.926 + VAT</b>	<b>R1.115 + VAT</b>
----------	---------	---------------------	---------------------

### **2.11 AVAILABILITY FEES PER YEAR (401)**

Availability fee - vacant erven	Per year	<b>R1,190.00 + VAT</b>	<b>R1,310.00 + VAT</b>
---------------------------------	----------	------------------------	------------------------

### **2.12 OTHER SUNDRY ELECTRICITY TARIFFS**

#### **Temporary disconnection and re-connection on request of consumer**

**(For non-payment refer to Tariff 17 )**

During office hours	16614-621-2100	<b>R110.00</b>	<b>R110.00</b>
---------------------	----------------	----------------	----------------

After hours	16614-621-2100	<b>R150.00</b>	<b>R150.00</b>
-------------	----------------	----------------	----------------

<b>Special Meter readings (for water and electricity)</b>	16614-621-2070	<b>R120.00</b>	<b>R150.00</b>
---	----------------	----------------	----------------

#### **Connections : Standard Fee**

Pre-paid meters	16614-621-2095	<b>R3,750.00</b>	<b>R3,750.00</b>
-----------------	----------------	------------------	------------------

Standard meters	16614-621-2095	<b>R3,750.00</b>	<b>R3,750.00</b>
-----------------	----------------	------------------	------------------

#### **Connections (Cable already installed on corner of erf and only where proof of C.O.C. certificate was issued)**

Pre-paid meters	16614-621-2095	<b>R2,350.00</b>	<b>R2,350.00</b>
-----------------	----------------	------------------	------------------

Standard meters	16614-621-2095	<b>R2,350.00</b>	<b>R2,350.00</b>
-----------------	----------------	------------------	------------------

#### **Other Connections**

Special or three phase	16614-621-2095	<b>Cost + 15%</b>	<b>Cost + 15%</b>
------------------------	----------------	-------------------	-------------------

Subsidised State Housing	16614-621-2095	<b>Cost Only</b>	<b>Cost Only</b>
--------------------------	----------------	------------------	------------------

Indigent Households		<b>Free of charge</b>	<b>Free of charge</b>
---------------------	--	-----------------------	-----------------------

<b>Shift of Electricity Meter</b>			<b>R475.00</b>
-----------------------------------	--	--	----------------

#### **Additional Transformer cost for supply in excess of 90 amps,3phase**

Where application is made for an increased supply and sufficient spare capacity exists on a nearby transformer of greater capacity, the consumer(s) shall in addition to the connection charges, be charged the pro-rata cost of the additional transformer capacity based upon the cost of a new mini-substation.

No pro-rata transformer costs are payable where consumers supply their own substations or where consumers pay for the replacement of an existing transformer to cater for an increase in supply

**(All tariffs from Paragraph 2.12 are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **2 ELECTRICITY TARIFF CHARGES (Continues)**

### **2.12 OTHER SUNDRY ELECTRICITY TARIFFS (Continues)**

<b>Service Calls</b>				
During office hours	16614-621-2070	<b>R120.00</b>		<b>R120.00</b>
After hours	16614-621-2070	<b>R150.00</b>		<b>R150.00</b>
<b>Test of meter - Single Phase</b>				
	16614-621-2270	<b>R220.00</b>		<b>R220.00</b>
<b>Test of meter - 3-Phase</b>				
	16614-621-2270	<b>R400.00</b>		<b>R400.00</b>
<b>Test of Bulk Meter</b>				
	16614-621-2270	<b>R900.00</b>		<b>R900.00</b>
<b>Replace Circuit Breaker of Credit Meter</b>				
Lower Capacity	16614-621-2090	<b>R120.00</b>		<b>R120.00</b>
Higher Capacity	16614-621-2090	<b>R120.00</b>		<b>R120.00</b>
3-Phase	16614-621-2090	<b>R300.00</b>		<b>R300.00</b>
<b>Disconnection tariff on Bulk supply (per month)</b>				
<b>(Return to Bulk supply as soon as 1 Kwh is consumed)</b>				
	16614-621-2105	<b>R425.00</b>		<b>R425.00</b>
<b>Supply of Street Lights on request</b>				
To be paid by Applicant	16614-621-2095	<b>Cost + 15%</b>		<b>Cost + 15%</b>
<b>Old Age Homes and "Aftree Oorde"</b>				
		<b>Free of charge</b>		<b>Free of charge</b>
<b>Replace ordinary credit meter with pre-paid meter</b>				
Installation cost inclusive	16614-621-2095	<b>R925.00</b>		<b>R925.00</b>
<b>Replace ordinary three phase credit meter with ordinary single phase credit meter</b>				
Installation cost inclusive	16614-621-2095	<b>R925.00</b>		<b>R925.00</b>
<b>Installation of single phase credit meter</b>				
	16614-621-2095	<b>R925.00</b>		<b>R925.00</b>
<b>Installation of single phase pre-paid meter</b>				
	16614-621-2095	<b>R925.00</b>		<b>R925.00</b>
<b>Single phase pre-paid meter(Meter only)</b>				
	16614-621-2095			<b>R550.00</b>
<b>Installation of three phase credit meter</b>				
	16614-621-2095	<b>R1,300.00</b>		<b>R1,300.00</b>
<b>Three phase pre-paid meter (Meter only)</b>				
	16614-621-2095	<b>R1,600.00</b>		<b>R1,600.00</b>
<b>Conversion from three phase to single phase and vice versa</b>				
<b>(No meter replacement)</b>				
	16614-621-2095			<b>R300.00</b>
<b>Tamper with installation (Single Phase)</b>				
<b>(If meter must be replaced the cost of meter must also be paid)</b>				
	16614-841-2742	<b>R1,500.00</b>		<b>R1,500.00</b>
<b>Tamper with installation (Three Phase)</b>				
<b>(If meter must be replaced the cost of meter must also be paid)</b>				
	16614-841-2742	<b>R3,000.00</b>		<b>R3,000.00</b>
<b>Damaging of Medium Voltage Cables by Contractors</b>				
		<b>R17,000.00</b>		<b>R17,000.00</b>
<b>Damaging of Low Voltage Cables by Contractors</b>				
		<b>R2,800.00</b>		<b>R2,800.00</b>
<b>Replacement of street light pole</b>				
		<b>R5,000.00</b>		<b>R5,000.00</b>
<b>Replacement of traffic light pole</b>				
		<b>R10,000.00</b>		<b>R10,000.00</b>
<b>(All tariffs are INCLUSIVE of VAT)</b>				

## **TARIFFS 2011/2012**

**2010/11**

**2011/12**

### **2 ELECTRICITY TARIFF CHARGES (Continues)**

#### **2.12 OTHER SUNDRY ELECTRICITY TARIFFS (Continues)**

**HIRING OF EQUIPMENT: ELECTRICAL (IF AVAILABLE- MIN. 1 HOUR)**

**Hiring of power points**

Power point Single Phase	per day	<b>R200.00</b>	<b>R200.00</b>
Power point Three Phase	per day	<b>R620.00</b>	<b>R620.00</b>

**Hiring of equipment**

Sound System	per day	<b>R290.00</b>	<b>R290.00</b>
High-up truck, including driver	per hour	<b>R525.00</b>	<b>R525.00</b>
H10-Ton Truck, including driver	per hour	<b>R525.00</b>	<b>R525.00</b>

**TIME STARTS FROM THE TIME OF LEAVING THE ELECTRICAL WORKSHOP UP TO THE TIME OF RETURNING  
(THE AMOUNT OF HOURS)**

**(All tariffs are INCLUSIVE of VAT)**



# TARIFFS 2011/2012

2010/11

2011/12

## **3 WATER TARIFF CHARGES**

### **A. CONSUMERS WITH CONNECTIONS UP TO 25 MM**

#### **3.1 Single residential, Flats, Other Residential, Complexes with businesses and residential combined**

##### **(Up to 4 consumers with one joint meter) (Tariff code: 101 and 131)**

a) Basic per consumer	per month	R95.74 +VAT	R105.31 +VAT
b) Metered Consumption			
0 kl to 6 kl **	per kl.	R4.00 +VAT	R0.00 +VAT
7 kl to 20 kl	per kl.	R4.00 +VAT	R5.00 +VAT
21 kl to 30 kl	per kl.	R5.00 +VAT	R7.00 +VAT
31 kl to 40 kl	per kl.	R6.00 +VAT	R9.00 +VAT
41 kl to 45 kl	per kl.	R9.00 +VAT	R12.00 +VAT
46 kl to 50 kl	per kl.	R9.00 +VAT	R12.00 +VAT
51 kl to 60 kl	per kl.	R12.00 +VAT	R15.00 +VAT
61 kl to 80 kl	per kl.	R15.00 +VAT	R18.00 +VAT
> 80 kl	per kl.	R20.00 +VAT	R24.00 +VAT

#### **3.2 Businesses with up to 4 consumers and with one joint meter**

##### **(Tariff code: 122 and 131)**

a) Basic per consumer	per month	R95.74 +VAT	R105.31 +VAT
b) Metered Consumption			
0 kl to 20 kl	per kl.	R4.00 +VAT	R5.00 +VAT
21 kl to 30 kl	per kl.	R5.00 +VAT	R7.00 +VAT
31 kl to 40 kl	per kl.	R6.00 +VAT	R9.00 +VAT
41 kl to 45 kl	per kl.	R9.00 +VAT	R12.00 +VAT
46 kl to 50 kl	per kl.	R9.00 +VAT	R12.00 +VAT
51 kl to 60 kl	per kl.	R12.00 +VAT	R15.00 +VAT
61 kl to 80 kl	per kl.	R15.00 +VAT	R18.00 +VAT
> 80 kl	per kl.	R20.00 +VAT	R24.00 +VAT

#### **3.3 Flats, Other Residential and Business complexes with more than 4 consumers and with one joint meter**

##### **(Tariff code: 121 and 131)**

a) Basic per consumer	per month	R95.74 +VAT	R105.31 +VAT
b) Metered Consumption			
0 kl to 50 kl	per kl.	R4.00 +VAT	R5.00 +VAT
51 kl to 60 kl	per kl.	R5.00 +VAT	R7.00 +VAT
61 kl to 70 kl	per kl.	R6.00 +VAT	R9.00 +VAT
71 kl to 80 kl	per kl.	R9.00 +VAT	R12.00 +VAT
81 kl to 100 kl	per kl.	R12.00 +VAT	R15.00 +VAT
101 kl to 120 kl	per kl.	R15.00 +VAT	R18.00 +VAT
> 120 kl	per kl.	R20.00 +VAT	R24.00 +VAT

# TARIFFS 2011/2012

2010/11

2011/12

## **3 WATER TARIFF CHARGES (Continues)**

### **B. CONSUMERS WITH CONNECTIONS BIGGER THAN 25 MM**

#### **3.4 Medium connections up to nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 103)**

a) Basic Fee	per month	<b>R919.11 +VAT</b>	<b>R1,011.02 +VAT</b>
b) Metered Consumption			
0 kl to 200 kl	per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
201 kl to 300 kl	per kl.	<b>R5.00 +VAT</b>	<b>R7.00 +VAT</b>
301 kl to 400 kl	per kl.	<b>R6.00 +VAT</b>	<b>R9.00 +VAT</b>
401 kl to 450 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
451 kl to 500 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
501 kl to 600 kl	per kl.	<b>R9.00 +VAT</b>	<b>R15.00 +VAT</b>
601 kl to 800 kl	per kl.	<b>R12.00 +VAT</b>	<b>R18.00 +VAT</b>
> 800 kl	per kl.	<b>R15.00 +VAT</b>	<b>R24.00 +VAT</b>

#### **3.5 Medium connections with more than nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 105 & 132)**

a) Basic per consumer	per month	<b>R95.74 +VAT</b>	<b>R105.31 +VAT</b>
b) Metered Consumption			
0 kl to 200 kl	per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
201 kl to 300 kl	per kl.	<b>R5.00 +VAT</b>	<b>R7.00 +VAT</b>
301 kl to 400 kl	per kl.	<b>R6.00 +VAT</b>	<b>R9.00 +VAT</b>
401 kl to 450 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
451 kl to 500 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
501 kl to 600 kl	per kl.	<b>R9.00 +VAT</b>	<b>R15.00 +VAT</b>
601 kl to 800 kl	per kl.	<b>R12.00 +VAT</b>	<b>R18.00 +VAT</b>
> 800 kl	per kl.	<b>R15.00 +VAT</b>	<b>R24.00 +VAT</b>

#### **3.6 Bulk Consumers (consumed more than 1000 kl/month for four months over a period of 12 months) (Tariff code: 104)**

a) Basic Fee	per month	<b>R4,978.46 +VAT</b>	<b>R5,476.31 +VAT</b>
b) Metered Consumption			
0 kl to 2000 kl	per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
2001 kl to 3000 kl	per kl.	<b>R5.00 +VAT</b>	<b>R7.00 +VAT</b>
3001 kl to 4000 kl	per kl.	<b>R6.00 +VAT</b>	<b>R9.00 +VAT</b>
4001 kl to 4500 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
4501 kl to 5000 kl	per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
5001 kl to 6000 kl	per kl.	<b>R9.00 +VAT</b>	<b>R15.00 +VAT</b>
6001 kl to 8000 kl	per kl.	<b>R12.00 +VAT</b>	<b>R18.00 +VAT</b>
> 8000 kl	per kl.	<b>R15.00 +VAT</b>	<b>R24.00 +VAT</b>

# TARIFFS 2011/2012

2010/11

2011/12

## **3 WATER TARIFF CHARGES (Continues)**

### **C. SPECIAL WATER TARIFFS**

#### **3.7 Other Special Water Tariffs**

a) Raw Water : Basic plus 15 kl (Tariff code: 107)		<b>R174.73 +VAT</b>	<b>R192.20 +VAT</b>
	> 15 kl per kl.	<b>R2.60 +VAT</b>	<b>R5.00 +VAT</b>
b) Searles Slood (Tariff code: 109)	0 - 50 kl per kl.	<b>R0.00 +VAT</b>	<b>R0.00 +VAT</b>
	> 50 kl per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
c) Buffalo Farming - plus 15% surcharge (Tariff code: 110)			
	0 - 27 kl per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
	28 - 30 kl per kl.	<b>R4.00 +VAT</b>	<b>R5.00 +VAT</b>
	31 - 45 kl per kl.	<b>R6.00 +VAT</b>	<b>R9.00 +VAT</b>
	46 - 60 kl per kl.	<b>R7.00 +VAT</b>	<b>R12.00 +VAT</b>
	61 - 80 kl per kl.	<b>R9.00 +VAT</b>	<b>R12.00 +VAT</b>
	> 80 kl per kl.	<b>R12.00 +VAT</b>	<b>R15.00 +VAT</b>
d) Buysplaas (Tariff code: 115)	Basic Fee	<b>R26.14 +VAT</b>	<b>R28.75 +VAT</b>
	0 - 60 kl per kl.	<b>R3.00 +VAT</b>	<b>R5.00 +VAT</b>
	> 60 kl per kl.	<b>R4.50 +VAT</b>	<b>R7.00 +VAT</b>
e) JB Hoevers - plus 15% surcharge (Tariff code: 116)			
	0 - 9999 kl per kl.	<b>R2.60 +VAT</b>	<b>R4.00 +VAT</b>
f) Punt Hotel (Slegs vir tuine op publieke grond) (Tariff code: 117)			
	0 - 80 kl (no basic) per kl.	<b>R4.00 +VAT</b>	<b>As per Agreement, including normal increases</b>
	> 80 kl plus Basic Fee of	<b>R102.91 +VAT</b>	
	> 80 kl per kl.	<b>R12.00 +VAT</b>	

#### **3.9 Other consumers (special arrangements)**

##### **Vleesbaai (According to approved contract) (Tariff code: 191)**

Basic Fee	per month	<b>R921.63 +VAT</b>	<b>R1,013.79 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			

##### **Retirement Village Hartenrus (68) (Tariff code: 174)**

Basic Fee (for 68 household units)	per month	<b>R6,510.53 +VAT</b>	<b>R7,161.58 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			

##### **Santos Haven I (100) (Tariff code: 111)**

Basic Fee (for 100 household units)	per month	<b>R9,573.51 +VAT</b>	<b>R10,530.86 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			

# TARIFFS 2011/2012

2010/11

2011/12

## **3 WATER TARIFF CHARGES (Continues)**

### **3.9 Other consumers (special arrangements) - CONTINUES**

#### **Santos Haven 2 (106) (Tariff code: 152)**

Basic Fee (for 106 household units)

per month

**R10,147.82 +VAT**

**R11,162.60 +VAT**

Metered Consumption-Same as in Bulk Consumers in 3.6(b) above

#### **Mossgas (Tariff code: 151)**

Basic Fee

per month

**R8,616.33 +VAT**

**R5,476.31 +VAT**

Metered Consumption for more than 6000 kl consumed

per kl.

**R12.00 +VAT**

**Same as Bulk Tariff**

Metered Consumption-Same as in Bulk Consumers in 3.6(b) above

#### **Sporting Bodies (Tariff code: 114)**

Metered Consumption

per kl.

**R3.50 +VAT**

**R5.00 +VAT**

#### **Departmental Use (Tariff code: 112)**

per kl.

**R4.00 +VAT**

**R5.00 +VAT**

#### **Supply of water in rural areas**

(Certain conditions apply)

6 kl. Per month to registered users

**R300.00 +VAT**

**R330.00 +VAT**

### **3.10 Availability fee - vacant erven**

Per Erf

**1180.00 +VAT**

**1298.00 +VAT**

### **3.11 Water restrictions**

**The water consumption tariffs will be increased during droughts in accordance with the Annexures to this Tariff List, when:**

- Level of Wolwedans Dam less than 30% - Annexure A

**50%**

- Level of Wolwedans Dam less than 20% - Annexure B

**100%**

### **3.12 Water restrictions fines**

#### **Spot fine for each violation of water restrictions**

per violation of restrictions

**R1,000.00**

**R1,000.00**

### **3.13 Sundry Tariffs**

#### **Water Connections**

15mm with consumers tap

14487-621-2095

**R2,225.00**

**R2,250.00**

20mm with consumers tap

14487-621-2095

**R2,375.00**

**R2,400.00**

25mm with consumers tap

14487-621-2095

**R5,200.00**

**R5,250.00**

Bigger than 25mm

14487-621-2095

**Cost + 15%**

**Cost + 15%**

Government subsidised Housing

14487-621-2095

**Cost only**

**Cost only**

#### **Upgrading from 15mm to 20mm**

Meter (tariff includes credit for return of old meter)

14487-621-2095

**R1,525.00**

**R1,540.00**

#### **Test of Water Meter**

14487-621-2270

**R475.00**

**R600.00**

#### **Water meter Inspection-/Service Fee**

(Inclusive where Developer has done all the connections and meters)

14487-621-2270

**R155.00**

**R200.00**

#### **Consumers tap to meter**

14487-621-2095

**R380.00**

**R410.00**

#### **Shift of water meter**

Within 2 meters

14487-621-2095

**R475.00**

**R510.00**

More than 2 meters

14487-621-2095

**Cost + 15%**

**Cost + 15%**

(The repair of paving is not included in the prices for the shifting of water meters.

The repair of paving will take place at an additional charge as per tariff 16.1.2)

**(All tariffs from Paragraph 3.12 are INCLUSIVE of VAT)**

## TARIFFS 2011/2012

2010/11

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **3.13 Sundry Tariffs - CONTINUES**

<b>Uncovering of meters that cannot be read</b>	14487-841-2741	<b>R155.00</b>	<b>R200.00</b>
<b>On- and turn-off of water</b> (For non-payment action refer to Tariff 17 )	14487-621-2070	<b>R155.00</b>	<b>R200.00</b>
<b>Special Reading for water and electricity</b>	14487-621-2070	<b>R155.00</b>	<b>R150.00</b>
<b>Fine for tampering with installation</b>	14487-841-2742	<b>R1,625.00</b>	<b>R1,725.00</b>
<b>Water drawn by contractors at Fire Station</b> (Surcharge measures also applicable as per tariff 3.11 and 3.12)	per kl.	<b>R20.00</b>	<b>R22.00</b>
<b>Filling of Pool</b>			
(a) Cost per hour	per hour	<b>R400.00</b>	<b>R424.00</b>
(b) Water	per kl tariff	<b>Applicable Tariff plus 15%</b>	<b>Applicable Tariff plus 15%</b>
<b>Water flow restrictors</b>			
(a) Supply & installation of programmable flow restrictor			<b>R1,620.00</b>
(b) Reprogramming of flow restrictor			<b>R235.00</b>

**Note: Old Age Homes and "Aftree Oorde"**

Where a bulk meter is installed, the basic fee must be reduced with the value of 6 kl. water per household, only when the Wolwedans dam level exceeds 60%.

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **4 SEWERAGE TARIFF CHARGES**

### **4.1 All Areas:**

Single and Sectional title Residential & rondawels/chalets with own facilities	Per annum	R1,747.44 +VAT	R1,852.29 +VAT
Rondawel (without own facilities) and caravan parks	Per annum	R570.24 +VAT	R604.45 +VAT
Granny Flats or for each additional residential unit	Per annum	R610.20 +VAT	R646.81 +VAT
Accommodation Establishments : Per Pan	Per annum	R477.36 +VAT	R506.00 +VAT
: Plus every 5 pans or part there-of	Per annum	R1,136.16 +VAT	R1,204.33 +VAT
Other properties : Per pan	Per annum	R477.36 +VAT	R506.00 +VAT
: Plus every 5 pans or part there-of	Per annum	R1,136.16 +VAT	R1,204.33 +VAT
Availability fee - vacant erven		R1,136.16 +VAT	R1,204.33 +VAT
Churches	Per annum	R1,545.48 +VAT	R1,638.21 +VAT
Night soil bucket	Per annum	R231.12 +VAT	R244.99 +VAT

**Council's subsidy to households**

See Page 14

### **4.2 Industrial Effluent**

(Rates for formula) - Cost per kilolitre

- Mossdustria	pump	R0.96 +VAT	R1.02 +VAT
	purification	R2.23 +VAT	R2.36 +VAT
- Voorbaai	pump	R0.77 +VAT	R0.82 +VAT
	purification	R1.73 +VAT	R1.83 +VAT
- Great Brak	purification	R1.67 +VAT	R1.77 +VAT

### **4.3 OTHER SUNDRY SEWERAGE TARIFFS**

#### Connections

100 Diameter	14478-621-2095	R2,225.00	R2,250.00
150 Diameter	14478-621-2095	R2,400.00	R2,425.00
Larger Connections	14478-621-2095	Cost + 15%	Cost + 15%
Government subsidised Housing	14478-621-2095	Cost only	Cost only

#### Inspection Fee - Blocked drains as well as where Developer provides connections himself

Office hours	14478-621-2145	R180.00	R200.00
After hours	14478-621-2145	R275.00	R310.00

#### Opening-up of blocked sewerages

During office hours	14478-621-2060	R440.00	R470.00
After hours	14478-621-2060	R760.00	R810.00

#### Emptying of Septic Tanks

per occasion	As per tender	As per tender
--------------	---------------	---------------

**(All tariffs from Paragraph 4.3 are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **5 REFUSE REMOVAL CHARGES**

**Definition: 1 unit is defined as 1 bag which is removed once per week**

5.1 <b><u>Tariff per unit</u></b>	<u>per month per unit</u>	<b>R38.80 +VAT</b>	<b>R42.68 +VAT</b>
5.1.1 Domestic: Account calculated on a minimum of 2 units (The Health Department will deal with units applicable to any other refuse removal points)	per month	<b>R77.59 +VAT</b>	<b>R85.35 +VAT</b>
5.1.2 Accommodation establishments: Account calculated on a minimum of 3 units	per month		
5.1.3 Commercial/Industrial: Account calculated on a min. of 3 units	per month		
5.1.4 <b>Old Age Homes and "Aftree Oorde"</b> Always calculate on 1 unit per household	per month per unit	<b>R38.80 +VAT</b>	<b>R42.68 +VAT</b>
5.1.5 <b>Additional household units - One unit for each additional household unit</b>			
5.2 <b><u>Conditions for granting of subsidies by Council to households</u></b>			See page 14
5.3 <b><u>Special Refuse removal arrangements</u></b>			
<b>(One refuse removal unit is levied for every two accommodation units.)</b>			
<b>Definition: Accommodation units includes caravan sites and chalets</b>			
A.T.K.V. (781 accommodation units) (228)	per month	<b>R15,151.79 +VAT</b>	<b>R16,666.97 +VAT</b>
<u>Caravan Parks:</u>			
Kalahari (140 accommodation units) (204)	per month	<b>R2,716.07 +VAT</b>	<b>R2,987.68 +VAT</b>
Santos (306 accommodation units) (206)	per month	<b>R5,936.55 +VAT</b>	<b>R6,530.21 +VAT</b>
De Bakke Chalets (47 accommodation units) (207)	per month	<b>R911.82 +VAT</b>	<b>R1,003.00 +VAT</b>
De Bakke (75 accommodation units) (212)	per month	<b>R1,455.04 +VAT</b>	<b>R1,600.54 +VAT</b>
Point (212 accommodation units) (208)	per month	<b>R4,656.12 +VAT</b>	<b>R4,525.75 +VAT</b>
Riverside (102 accommodation units) (210)	per month	<b>R1,978.85 +VAT</b>	<b>R2,176.74 +VAT</b>
Outeniqua (79 accommodation units) (225)	per month	<b>R1,532.64 +VAT</b>	<b>R1,685.90 +VAT</b>
Glentana (52 accommodation units) (226)	per month	<b>R1,008.83 +VAT</b>	<b>R1,109.71 +VAT</b>
SAOU (54 accommodation units) (227)	per month	<b>R1,047.63 +VAT</b>	<b>R1,152.39 +VAT</b>
Pine Creek (142 accommodation units) (229)	per month	<b>R2,754.87 +VAT</b>	<b>R3,030.36 +VAT</b>
Dibiki (36 accommodation units) (230)	per month	<b>R698.42 +VAT</b>	<b>R768.26 +VAT</b>
Bnei Akiva (125 accommodation units) (231)	per month	<b>R2,425.06 +VAT</b>	<b>R2,667.57 +VAT</b>
Seventh Day Adventist (90 accommodation units) (232)	per month	<b>R1,746.05 +VAT</b>	<b>R1,920.66 +VAT</b>
5.4 <b><u>Removal of perishable foods on request</u></b>	per load to Petro SA landfill site	<b>R464.86 +VAT</b>	<b>R511.35 +VAT</b>
5.5 <b><u>Sale of Refuse Containers</u></b>	per drum	<b>R251.82 +VAT</b>	<b>R277.00 +VAT</b>
5.6 <b><u>House Shops on residential plots</u></b>	3 units per month		
5.7 <b><u>Additional Removals - Transfer Station</u></b>	8 units / Container		

# TARIFFS 2011/2012

2010/11

2011/12

## **6 SUBSIDIES TO INDIGENT AND POOR HOUSEHOLDS**

### **6.1 (A) SUBSIDIES TO INDIGENT HOUSEHOLDS:**

Definition: A household qualify as indigent on the following conditions: (See CR F251/9/2004)

- (i) Total monthly household income must not be more than twice (2X) the monthly State old age pension and
- (ii) The average electricity consumption for the past 4 months must not exceed 300 kwh per month and
- (iii) The average water consumption for the past 4 months must not exceed 15 kl per month.

#### **SUBSIDIES:**

- Electricity: Total free units	50 kwh	50 kwh
- Water : per month	R92.32 +VAT	R100.92 +VAT
- Sewerage : per month	R145.62 +VAT	R154.36 +VAT
- Refuse : per month	R77.59 +VAT	R80.96 +VAT
TOTAL INDIGENT SUBS.	<b>R315.53 +VAT</b>	<b>R336.24 +VAT</b>

### **6.2 (B) SUBSIDIES TO POOR HOUSEHOLDS:**

Definition: A household qualify as a poor household on the following conditions:

- (i) Total monthly household income must be more than the income mentioned in (A)(i) above but less than R4000 per month and
- (ii) The average electricity consumption for the past 4 months must not exceed 300 kwh per month and
- (iii) The average water consumption for the past 4 months must not exceed 15 kl per month.

#### **SUBSIDIES:**

- Water per month:	R85.00 +VAT	R90.00 +VAT
- Sewerage per month:	R85.00 +VAT	R100.00 +VAT
- Refuse per month:	R60.00 +VAT	R70.00 +VAT
TOTAL POOR SUBS.	<b>R230.00 +VAT</b>	<b>R260.00 +VAT</b>

### **6.3 OTHER SUBSIDIES**

#### **Buysplaas**

- water per month (indigent household)	R26.14
- water per month (Poor household)	R24.05



# TARIFFS 2011/2012

2010/11

2011/12

## 7 PROPERTY RATES

### 7.1 All Areas

Residential (Including Flats and Group Housing but excluding accommodation establishments)	R 0.002093	R 0.002356
Accommodation establishments (regardless of the zoning)	R 0.003171	R 0.003298
Agricultural properties / portions of it used for business/industrial	R 0.003171	R 0.003298
Agricultural (Excluding land used for business or accommodation purposes)	R 0.000523	R 0.000589
Vleesbaai	R 0.000628	R 0.000707
Public service infrastructure property / Public benefit organisation property	R 0.000523	R 0.000589
All Other (inclusive of Industrial, Commercial, etc)	R 0.004530	R 0.004711
Municipal Properties		100% Rebate
Churches		100% Exempted
Parsonages		100% Exempted

The first R50 000 of the valuation of Residential properties is exempted from the levying of rates.

### Rates Structure:

- Residential = 50% of Industrial/Commercial tariff
- Agricultural (Excluding Commercial) = 25% of Residential tariff
- Agricultural land use for commercial purposes = 70% of Industrial/Commercial tariff
- Vleesbaai = 30% of Residential tariff
- Accommodation Establishments = 70% of Industrial/Commercial tariff
- State Infrastructure / Public benefit organisations = 25% of Residential tariff

### 7.2 Discount to Pensioners w.r.t. single residential properties

Pensioners qualify for the under mentioned discounts of property rates if they comply with the following conditions:

- a) The applicant must be the registered owner or the registered tenant
- b) The person must occupy the property himself
- c) Minimum age of registered owner must be 60 years.

### 7.3 Discount to Pensioners

a) Total Income of husband and wife may not exceed R7 000 per month (R84,000 per annum)	50% discount	50% discount
b) Total Income of husband and wife may not exceed R10 000 per month (R120,000 per annum)	30% discount	30% discount

**(All tariffs are ZERO RATED)**

# TARIFFS 2011/2012

2010/11

2011/12

## **8 FIRE BRIGADE FEES**

### **8.1 Call Out charges per hour or part thereof for Fire and Rescue Services: Appliances**

(a) Fire engine	per hour	<b>R600.00</b>	<b>R690.00</b>
(b) Standby per fire engine	per hour	<b>R320.00</b>	<b>R370.00</b>
(c) Portable pumps	per hour	<b>R480.00</b>	<b>R550.00</b>
(d) Extrication and or the use of specialized rescue equipment and Rescue vehicle.	per hour	<b>R550.00</b>	<b>R600.00</b>

### **8.2 Call Out of Fire and Rescue Services outside Municipal Area**

(a) First hour per engine	per hour	<b>R1,240.00</b>	<b>R1,400.00</b>
(b) Per hour or part thereof, thereafter per engine	per hour	<b>R440.00</b>	<b>R500.00</b>
(c) Stand by per hour of part thereof, per engine	per hour	<b>R330.00</b>	<b>R380.00</b>
(d) Travel Fee	per km	<b>R37.00</b>	<b>R50.00</b>

### **8.3 Call Out charges per hour or part thereof for Fire & Rescue Services: Personnel**

Fire fighter	per hour	<b>R185.00</b>	<b>R220.00</b>
Officer	per hour	<b>R220.00</b>	<b>R300.00</b>
Standby	per hour	<b>R185.00</b>	<b>R300.00</b>

### **8.4 Fire extinguishers re-fill, foam concentrate, etc.**

**Cost + 15%**

**Cost + 15%**

### **8.5 Clearing of vacant erven**

**Cost + 15%**

**Cost + 15%**

### **8.6 By-Law on Flammable Material**

Section 9(2)(a)(i) Inspection Fee	10225/21/690	<b>R120.00</b>	<b>R200.00</b>
-----------------------------------	--------------	----------------	----------------

### **8.7 Inspection Fee - Cleaning of Erven**

**R130.00**

**R200.00**

### **8.8 Industrial Training**

per person per day

**R250.00**

**R275.00**

Fire Brigade Fees	15560 621 2130
Inspection Fees	15560 621 2145

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **9 LIBRARY & HALL FEES , TOWN HALL AND OTHER COMMUNITY HALLS**

### **9.1 LIBRARY HALLS**

a) Political meetings	per occasion	<b>R430.00</b>	<b>R460.00</b>
b) Welfare-, Religious and Educational Organisations: Non fund raising occasions	per occasion	<b>R37.00</b>	<b>R40.00</b>
c) Bona-fide Sport & Recreational occasions	per occasion	<b>R47.00</b>	<b>R50.00</b>
d) All other persons, organisations and institutions	per occasion	<b>R138.00</b>	<b>R150.00</b>
f) Rehearsals	per occasion	<b>R23.00</b>	<b>R25.00</b>

### **9.2 LIBRARY FEES**

#### **FINES:**

Books overdue (max. R20,00 per item)	per week of part thereof	<b>R1.00</b>	<b>R2.00</b>
Video's	per day	<b>R2.00</b>	<b>R4.00</b>
Video's not played back	per video	<b>R3.00</b>	<b>R4.00</b>
Video's lost or damaged	per video	<b>COST ONLY</b>	<b>COST ONLY</b>
Lost Membership Cards	each	<b>R12.00</b>	<b>R15.00</b>
Reservation of Books	per book	<b>R3.00</b>	<b>R4.00</b>
Deposit Visitors	per book	<b>R70.00</b>	<b>R120.00</b>
Photostat copies (A4)	per copy	<b>R1.00</b>	<b>R1.00</b>

### **9.3 COUNCIL CHAMBERS & LECTURE ROOMS**

Hartenbos Council Chamber	per occasion	<b>R120.00</b>	<b>R130.00</b>
Great Brak River Council Chamber	per occasion	<b>R120.00</b>	<b>R130.00</b>
Purification Works Lecture Room	per occasion	<b>R90.00</b>	<b>R100.00</b>

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **10 SPORT FACILITIES**

### **10.1 SPORT FACILITIES - VAN RIEBEECK SPORT STADIUM**

#### **Hall:**

Practicing of bona fide sport	per month	<b>R95.00</b>	<b>R105.00</b>
All other occasions	per occasion	<b>R430.00</b>	<b>R460.00</b>
Breakage Deposit		<b>R400.00</b>	<b>R430.00</b>

#### **Club House:**

All Occasions	per occasion	<b>R580.00</b>	<b>R625.00</b>
Breakage Deposit		<b>R400.00</b>	<b>R430.00</b>

#### **Sport Grounds:**

Athletics	per occasion/per field	<b>R75.00</b>	<b>R85.00</b>
	per club per season	<b>R1,485.00</b>	<b>R1,600.00</b>
Rugby	per occasion/per field	<b>R80.00</b>	<b>R90.00</b>
	per club per season	<b>R1,485.00</b>	<b>R1,600.00</b>
Cricket	per occasion/per field	<b>R75.00</b>	<b>R85.00</b>
	per club per season	<b>R1,485.00</b>	<b>R1,600.00</b>
Cricket night league	per occasion/per field	<b>R75.00</b>	<b>R85.00</b>
	per club per season	<b>R1,485.00</b>	<b>R1,600.00</b>
Hockey	per occasion/per field	<b>R75.00</b>	<b>R85.00</b>
	per club per season	<b>R1,485.00</b>	<b>R1,600.00</b>
Netball & Basket Ball	per occasion/per field	<b>R60.00</b>	<b>R70.00</b>
	per club per season	<b>R1,100.00</b>	<b>R1,210.00</b>
School Sports	per field per sport	<b>R40.00</b>	<b>R45.00</b>
	per sport per year	<b>R470.00</b>	<b>R525.00</b>

#### **Point High School:**

As per contract.

#### **Stadium:**

Per Sport occasion (including the use of sport grounds)	per day	<b>R770.00</b>	<b>R830.00</b>
	deposit	<b>R1,375.00</b>	<b>R1,480.00</b>
Per Social occasion (including use of sport grounds)	per day	<b>R2,090.00</b>	<b>R2,300.00</b>
	deposit	<b>R2,750.00</b>	<b>R3,025.00</b>
Van Riebeeck Sport grounds:	15592 661 2405		

### **10.2 SPORT FACILITIES - D'ALMEIDA**

#### **Hall:**

Practicing of bona fide sport	per month	<b>R60.00</b>	<b>R65.00</b>
All other occasions	per occasion	<b>R230.00</b>	<b>R255.00</b>
Breakage Deposit		<b>R400.00</b>	<b>R430.00</b>

#### **Club House:**

All Occasions	per occasion	<b>R520.00</b>	<b>R570.00</b>
Breakage Deposit		<b>R400.00</b>	<b>R430.00</b>

#### **Sport Grounds:**

15592 661 2395

Athletics	per occasion/per field	<b>R60.00</b>	<b>R65.00</b>
	per club per season	<b>R1,100.00</b>	<b>R1,210.00</b>

**(All tariffs are INCLUSIVE of VAT)**

## TARIFFS 2011/2012

2010/11

2011/12

### **10 SPORT FACILITIES (continues)**

#### **SPORT FACILITIES - D'ALMEIDA (continues)**

Rugby	per occasion/per field	<b>R60.00</b>	<b>R65.00</b>
	per club per season	<b>R1,100.00</b>	<b>R1,210.00</b>
Cricket	per occasion/per field	<b>R60.00</b>	<b>R65.00</b>
	per club per season	<b>R1,100.00</b>	<b>R1,210.00</b>
Soccer	per occasion/per field	<b>R45.00</b>	<b>R50.00</b>
	per club per season	<b>R825.00</b>	<b>R430.00</b>
Netball & Basket Ball	per occasion/per field	<b>R60.00</b>	<b>R65.00</b>
	per club per season	<b>R720.00</b>	<b>R790.00</b>
School Sports	per field per sport	<b>R30.00</b>	<b>R33.00</b>
	per sport per year	<b>R315.00</b>	<b>R350.00</b>
<b>Stadium:</b>			
Per Sport occasion (including the use of sport grounds)	per day	<b>R385.00</b>	<b>R425.00</b>
	deposit	<b>R1,100.00</b>	<b>R1,210.00</b>
Per Social occasion (including use of sport grounds)	per day	<b>R1,540.00</b>	<b>R1,700.00</b>
	deposit	<b>R2,200.00</b>	<b>R2,420.00</b>

#### **10.4 SPORT FACILITIES - EXTENSION 23**

<b>Sport Grounds:</b>	15592 661 2395		
Soccer	per occasion/per field	<b>R45.00</b>	<b>R50.00</b>
	per club per season	<b>R390.00</b>	<b>R910.00</b>
School Sports - All Sports	per field per sport	<b>R30.00</b>	<b>R35.00</b>
	per sport per year	<b>R220.00</b>	<b>R245.00</b>
<b>Stadium:</b>			
Per Sport occasion (including the use of sport grounds)	per day	<b>R265.00</b>	<b>R290.00</b>
	deposit	<b>R590.00</b>	<b>R650.00</b>
Per Social occasion (including use of sport grounds)	per day	<b>R770.00</b>	<b>R845.00</b>
	deposit	<b>R1,100.00</b>	<b>R1,210.00</b>

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **10 SPORT FACILITIES (continues)**

### **10.5 SPORT FACILITIES - HARTENBOS**

<b>Sport Grounds:</b>	15592 661 2395		
Jukskei	per occasion/per field	<b>R55.00</b>	<b>R65.00</b>
	per club per season	<b>R385.00</b>	<b>R425.00</b>
Netball/Basket Ball/Korfbal	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R360.00</b>	<b>R395.00</b>
Toutrek	per occasion/per field		<b>R60.00</b>
	per club per season		<b>R400.00</b>
<b>Club House</b>			
All Occasions	per occasion	<b>R320.00</b>	<b>R350.00</b>
Breakage Deposit		<b>R300.00</b>	<b>R330.00</b>

### **10.6 SPORT FACILITIES - FRIEMERSHEIM**

<b>Sport Grounds:</b>	15592 661 2395		
Rugby	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R465.00</b>	<b>R510.00</b>
Soccer	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R465.00</b>	<b>R510.00</b>
School Sports	per occasion	<b>R30.00</b>	<b>R35.00</b>
	per sport per year	<b>R315.00</b>	<b>R345.00</b>
Per sport occasion	per day	<b>R200.00</b>	<b>R220.00</b>
	deposit	<b>R550.00</b>	<b>R605.00</b>
Per Social occasion	per day	<b>R770.00</b>	<b>R845.00</b>
	deposit	<b>R1,100.00</b>	<b>R1,210.00</b>

### **10.7 SPORT FACILITIES - GREAT BRAK RIVER**

<b>Sport Grounds:</b>	15592 661 2395		
Rugby	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R495.00</b>	<b>R545.00</b>
Cricket	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R495.00</b>	<b>R545.00</b>
Soccer	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R495.00</b>	<b>R545.00</b>
Netball/Basket Ball	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R330.00</b>	<b>R360.00</b>
School Sports	per occasion	<b>R30.00</b>	<b>R35.00</b>
	per sport per year	<b>R315.00</b>	<b>R345.00</b>
Per sport occasion	per day	<b>R265.00</b>	<b>R290.00</b>
	deposit	<b>R550.00</b>	<b>R605.00</b>
Per Social occasion	per day	<b>R660.00</b>	<b>R725.00</b>
	deposit	<b>R1,100.00</b>	<b>R1,210.00</b>

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **10 SPORT FACILITIES (continues)**

### **10.8 SPORT FACILITIES - BRANDWAG AND SONSKYNVALLEI**

<b>Sport Grounds:</b>	15592 661 2395		
Rugby	per occasion/per field	<b>R55.00</b>	<b>R60.00</b>
	per club per season	<b>R470.00</b>	<b>R520.00</b>
School Sports	per occasion	<b>R30.00</b>	<b>R35.00</b>
	per sport per year	<b>R315.00</b>	<b>R345.00</b>
Per sport occasion	per day	<b>R195.00</b>	<b>R215.00</b>
	deposit	<b>R550.00</b>	<b>R605.00</b>
Per Social occasion	per day	<b>R770.00</b>	<b>R845.00</b>
	deposit	<b>R1,100.00</b>	<b>R1,210.00</b>

### **10.9 INDOOR SPORTS CENTRE**

Use of indoor sports centre:			
- Monday to Thursday	per hour per hall	<b>R15.00</b>	<b>R17.50</b>
- Friday evening to Sunday evening	per hour per hall	<b>R30.00</b>	<b>R35.00</b>
Gymnastics club	per year	<b>R825.00</b>	<b>R910.00</b>
Karate	per year	<b>R660.00</b>	<b>R725.00</b>
Gymnasium	per year	<b>R550.00</b>	<b>R605.00</b>
Badminton	per year	<b>R440.00</b>	<b>R485.00</b>
<u>Use of centre for social occasions:</u>			
Per occasion:			
<b>Hall</b>		<b>R520.00</b>	<b>R575.00</b>
<b>Kitchen</b>		<b>R150.00</b>	<b>R170.00</b>
<b>Breakages refundable deposit</b>		<b>R450.00</b>	<b>R495.00</b>

### **10.10 DECREASED SPORTS TARIFFS**

The municipal manager has the authority to approve a tariff of 0% to 20% of approved sport facilities tariffs for meritorious cases.

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **11 CARAVAN PARKS & CHALETS**

(DE BAKKE, SANTOS AND POINT RESORTS)

### **IMPLEMENTATION 1ST FEBRUARY 2012**

#### **SEASONS:**

High Season: 1st Dec - 16th Jan

Mid Season: 17th Jan - 1st May + 1st Sept - 30th Nov

Low Season: 2nd May - 31 August

#### **11.1 CHALETS:**

		<u>Low</u>	<u>Mid</u>	<u>High</u>
1 Bedroom	2006/2007	R315	R350	R485
1 Bedroom	2007/2008	R320	R360	R495
	2008/2009	R330	R360	R500
1 Bedroom	2009/2010	R350	R380	R500
	2010/2011	R360	R390	R550
	<b>2011/2012</b>	<b>R360</b>	<b>R430</b>	<b>R715</b>
2 Bedroom Ordinary	2006/2007	R420	R375	R575
	2007/2008	R425	R485	R585
2 Bedroom Lux	2006/2007	R440	R495	R630
2 Bedroom Lux	2007/2008	R450	R500	R640
	2008/2009	R450	R500	R650
2 Bedroom Lux	2009/2010	R450	R500	R700
	2010/2011	R460	R510	R770
	<b>2011/2012</b>	<b>R460</b>	<b>R560</b>	<b>R1,000</b>
3 Bedroom Ordinary	2006/2007	R515	R490	R590
	2007/2008	R525	R580	R735
3 Bedroom Lux	2006/2007	R580	R660	R805
3 Bedroom Lux	2007/2008	R590	R670	R815
	2008/2009	R600	R670	R820
3 Bedroom Lux	2009/2010	R600	R700	R850
	2010/2011	R620	R720	R925
	<b>2011/2012</b>	<b>R620</b>	<b>R790</b>	<b>R1,200</b>
Reserved Chalets	2006/2007	R630	R705	R920
Reserved Chalets	2007/2008	R640	R715	R930
	2008/2009	R650	R720	R950
Reserved Chalets	2009/2010	R650	R750	R950
	2010/2011	R670	R770	R1,050
	<b>2011/2012</b>	<b>R670</b>	<b>R850</b>	<b>R1,360</b>

#### **DISCOUNTS LOW & MID SEASON:**

Pensioners discount		20%	20%
Non-Pensioners discount	7 days or longer	20%	20%

**Pensioners discount applies when the Chalet is occupied by at least one person over the age of 60 years and the number of persons does not exceed the number of beds provided.**

**(All tariffs are INCLUSIVE of VAT)**



# TARIFFS 2011/2012

2010/11

2011/12

## **11 CARAVAN PARKS & CHALETS (continues)**

### **11.2 CARAVAN PARK SANTOS, DE BAKKE AND POINT**

#### **SEASONS:**

High Season: 1st Dec - 16th Jan

Mid Season: 17th Jan - 1st May + 1st Sept - 30th Nov

Low Season: 2nd May - 31 August

		<u>Low</u>	<u>Mid</u>	<u>High</u>
Seafront	2006/2007	R105	R145	R290
Seafront	2007/2008	R115	R155	R300
	2008/2009	R140	R170	R310
Seafront	2009/2010	R140	R170	R320
	2010/2011	R140	R170	R360
	<b>2011/2012</b>	<b>R140</b>	<b>R190</b>	<b>R470</b>
Back Row	2006/2007	R95	R120	R230
Back Row	2007/2008	R105	R130	R240
	2008/2009	R110	R130	R250
Back Row	2009/2010	R110	R130	R250
	2010/2011	R110	R130	R280
	<b>2011/2012</b>	<b>R110</b>	<b>R140</b>	<b>R360</b>

**Pensioners discount (+60 years);**

**Low & Mid Season**

**50%**

**50%**

**Applies when the occupants are over 60 years**

A stay of 10 days and longer (single booking) Mid Season

Discount of

**20%**

**20%**

Block booking 11 caravan sites and more,(Mid season only)

Discount of

**30%**

**30%**

**Pensioners special (to comply with conditions)**

**per month**

**R1,250.00**

**R1,300.00**

Caravan Park : Point

15523 621 2075

Caravan Park : Santos/Bakke

15524 621 2075

### **11.3 ADDITIONAL CHARGES**

#### **11.3.1 Additional Persons occupying Chalets or Caravan Sites:**

3 Bedroom Chalets	Per Person exceeding 5	per day	<b>R80.00</b>	<b>R85.00</b>
2 Bedroom Chalets	Per Person exceeding 4	per day	<b>R80.00</b>	<b>R85.00</b>
1 Bedroom Chalets	Per Person exceeding 2	per day	<b>R80.00</b>	<b>R85.00</b>
Caravan sites	Per Person exceeding 6	per day with max of 8 persons per site	<b>R80.00</b>	<b>R85.00</b>

The number of persons includes all children.

Additional guests are responsible for their own bedding and mattresses

or additional overnight occupants; no additional beds or bedding is available from the resort.

#### **11.3.2 Entrance fees per Vehicle:**

Chalets - per vehicle exceeding 2:	per day	<b>R18.00</b>	<b>R25.00</b>
Caravan Sites - per vehicle exceeding 1:	per day	<b>R18.00</b>	<b>R25.00</b>
Non Resident Guest's Visitors - per vehicle			<b>R30.00</b>
Surfer/Diver Annual Fee per vehicle:		<b>R220.00</b>	<b>R300.00</b>

#### **11.3.3 General Tariffs:**

Shower/Bath	per person	<b>R50.00</b>	<b>R55.00</b>
Breakage/Key Deposit : on Chalet Key	per key	<b>R450.00</b>	<b>R450.00</b>
Damage to infrastructure/installations:	Repair cost	<b>Cost + 15%</b>	<b>Cost + 15%</b>

#### **11.3.4 Booking System:**

Confirmation of Booking Deposit required, Low and Mid Season within 24 hours of making a booking.

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **11 CARAVAN PARKS & CHALETS (continues)**

### **11.3.5 Deposits Required:**

#### **a LOW OR MID SEASON**

Chalets (One Nights Tariff)	per chalet	<b>R680.00</b>	<b>R680.00</b>
Caravan Park (One Nights Tariff)	per site	<b>R280.00</b>	<b>R280.00</b>

#### **b DECEMBER HIGH SEASON DEPOSITS REQUIRED**

Booking Application Fee per Application.	<b>R60.00</b>	<b>R80.00</b>
--	---------------	---------------

Application fee will be credited as part payment if the application is Successful, but is forfeited if unsuccessful.

#### **Deposits Payable before 31st March**

Chalets	<b>R1,100.00</b>	<b>R1,100.00</b>
Caravan Sites	<b>R1,100.00</b>	<b>R1,100.00</b>

### **11.3.6 Pensioners special monthly rate applies under the following conditions only:**

1. That only two persons occupy the site for the duration of the stay.
2. That one of the persons occupying the site is over the age of 60 years.
3. That the occupation of the site is for a minimum of 30 days, but not exceeding 3 months.
4. That should the stay be for a period longer than 3 months a break of 1 month should be taken after the third month.
5. That this special tariff only applies to the Point Caravan Park.
6. That this special tariff does not apply to "seafront" stands.
7. That this special offer only applies to the Mid and Low season.
8. That no permanent resident status is implied or allowed.
9. That all the other rules and conditions of the resort be complied with.

### **11.3.7 OUTSTANDING BALANCES PAYABLE:**

December High Season	Payable before 31 August
Easter WC Holidays	Payable before 31 January
Long weekends	Payable 2 weeks before occupation
Weekends	Payable 1 week before occupation

### **11.3.8 CANCELLATION FEES:**

#### **High Season:**

Cancellation before 31st August for December or 31 January for Easter:

Booking Application Fee	0% refund
Booking Deposit	0% refund
Balance of Payment Made	90% refund

Cancellation between 31st August to 1 December (Dec) or during February (Easter):

Booking Application Fee + Booking Deposit..	0% refund
---	-----------

Balance of Payment: 50% of funds for Period site or chalet re-booked

No Showing...No refund, subject to cancellation fees and reasons for non-occupation.

#### **Low and Mid Season:**

Confirmation of Booking Deposit.....	0% refund
--------------------------------------	-----------

#### **Balance of Payment made:**

#### **When the booking is cancelled:**

Less than 48 hours to occupation	0% refund
One month to 48 hours to occupation	50% refund
Three Months to one month to occupation	75% refund
Three months plus to occupation	100% refund

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **11 CARAVAN PARKS & CHALETS (continues)**

### **11.3.9 Alteration Fees**

Per alteration

**R30.00**

**R35.00**

### **11.3.10 Refund on Early Departure/Shortening of Stay (subject to minimum booking periods):**

**Charges: Less 10% refunded amount of R100,00 which-ever is greater**

Full refunds on early vacation of sites / chalets only in cases of Death or Serious injury/illness and supported by Death Certificate or Medial Certificate (subject to minimum charges.)

In all other cases only 50% of the unused accommodation costs will be refunded should the resort concerned be successful in re-letting the accommodation. Sites/Chalets vacated after 10h00 on the day of departure do not qualify for a refund on that particular day.

Where Deposits or outstanding balances are not paid, or notification of payment are not received by the Resort concerned, by the due date, bookings will be cancelled without further correspondence.

Where bookings are not taken up by 12h00 on the morning following the date of arrival, and no further arrangements are made with the resort concerned, these will be treated as "No Show's" and cancelled without further correspondence.

All cancellation fees are subject to minimum booking periods and in cases where the shortening of stay clashes with the minimum booking period policy no refunds or credits will be given.

### **11.3.11 Minimum Booking Periods:**

#### **December High Season**

23 December to 2 January

14 days

Rest of High Season

7 days

#### **Mid and Low Season**

Long weekends, 5 day long weekends

4 days

4 day long weekends

3 days

Ordinary weekends

2 days

School Holidays

7 days

#### **Caravan Parks:**

#### **December High Season**

Seafront

25 days

Back row

21 days

WC Easter Holidays

7 days

Note that special conditions exist for persons rebooking the December High Season Sites for the following year. Refer to December application forms.

De Bakke Resort: Gate fees

15544 621 2135

De Bakke Resort: Rental

15544 621 2435

### **11.3.12 Decreased Tariffs:**

**The municipal manager has the authority to approve a tariff of 0% to 20% of approved sport facilities tariffs for meritous cases.**

**(All tariffs are INCLUSIVE of VAT)**

## TARIFFS 2011/2012

		<u>2010/11</u>	<u>2011/12</u>
<b>12 <u>TRAFFIC DEPARTMENT</u></b>			
12.1 <u>Storage of removed vehicle</u>	per day or part thereof (per vehicle)	R40.00	R75.00
12.2 <u>Removing of Vehicle</u>		Cost +20%	Cost +20%
12.3 <u>Removal of objects for impoundment</u>			
12.3.1 Removed by municipal official	per official per hour or part thereof, plus per kilometer travelled	R140.00	R160.00 R15.00
12.3.2 Removed by contractor		Cost +20%	Cost +20%
12.4 <u>Escorting for Funerals</u>	Free of charge	R0.00	R0.00
12.5 <u>All other escorting or gatherings:</u>	per application per occ.	R160.00	R170.00
	per Traffic Officer per hour or part thereof, plus per kilometer travelled	R115.00 R13.00	R120.00 R15.00
12.6 <u>Escorting of School Actions for Fund Raising</u>		R140.00	R150.00
12.7 <u>Admin Fee on repayment of fees</u>	20% of amount		
12.8 <u>Containers stored on public road / open space (per month)</u>		R800.00	R880.00
12.9 <u>Vehicles/Boats stored on public open space (per month)</u>		R800.00	R880.00
12.10 <u>Removal of vessel from beach</u>			Cost +20%
12.11 <u>Removal of illegal advertisement</u>	Per object removed		R200.00
12.12 <u>Application for disabled parking (including laminated permit)</u>			R30.00

(All tariffs are INCLUSIVE of VAT)

# TARIFFS 2011/2012

2010/11

2011/12

## **13 DEVELOPMENT & PLANNING**

### **13.1 Town Planning**

Rezoning (Ord. 15/85)	17742-621-2160	<b>R1,200.00</b>	<b>R1,350.00</b>
Departure (Ord. 15/85)	17742-621-2160	<b>R900.00</b>	<b>R1,000.00</b>
Consent use (Ord. 15/85)	17742-621-2160	<b>R700.00</b>	<b>R780.00</b>
Subdivision (Ord. 15/85) <b>(Tariff for 10 erven)</b> <b>(Plus R60 per erf above 10 erven)</b>	17742-621-2165	<b>R700.00</b>	<b>R780.00</b>
Removal of restrictive conditions (Act 84 of 1967)	17742-621-2155	<b>R1,200.00</b>	<b>R1,350.00</b>
Zoning Certificates	17742-621-2170	<b>R100.00</b>	<b>R110.00</b>
Contravention levy (Sec. 44 Ord. 15/85) (or according to Directive)		<b>R10,000.00</b>	<b>R10,000.00</b>
CD ROR and Scheme Regulations		<b>R140.00</b>	<b>R160.00</b>
Admin Charge - Appeal (Sec 62) Systems Act		<b>R1,200.00</b>	<b>R1,350.00</b>
Amendment/Compatibility Guide plan		<b>R1,750.00</b>	<b>R2,000.00</b>
Amendment Urban Edge (SDF)		<b>R1,750.00</b>	<b>R2,000.00</b>
Section 4(5) Sectional Title application			<b>R500.00</b>
Relaxation of building line		<b>R450.00</b>	<b>R500.00</b>
Relaxation of building line - indigent/poor households		<b>R25.00</b>	<b>R50.00</b>
Relaxation of building line - properties with valuations less than R50 000		<b>R25.00</b>	<b>R50.00</b>
Site Development Plan			<b>R1,000.00</b>
Amendment of Conditions of Approval			<b>R1,350.00</b>
Extension of approval for Rezoning and Subdivision			<b>R650.00</b>
Application for approval of container			<b>R500.00</b>

### **13.2 Plans, enquiries and information**

SG & site information - per property or stand (including copy)			<b>R20.00</b>
Plan Copies    AO	17742-621-2225	<b>R60.00</b>	<b>R68.00</b>
A1	17742-621-2225	<b>R50.00</b>	<b>R56.00</b>
A2	17742-621-2225	<b>R40.00</b>	<b>R45.00</b>
Photostat copies    A3	17742-621-2225	<b>R2.50</b>	<b>R2.80</b>
A4	17742-621-2225	<b>R1.50</b>	<b>R1.70</b>
<u>Colour copies per sheet :</u>			
A4	17742-621-2225	<b>R9.00</b>	<b>R10.00</b>
A3	17742-621-2225	<b>R15.00</b>	<b>R17.00</b>
A2	17742-621-2225	<b>R60.00</b>	<b>R66.00</b>
A1	17742-621-2225	<b>R90.00</b>	<b>R100.00</b>
A0	17742-621-2225	<b>R110.00</b>	<b>R125.00</b>
<u>Black &amp; white copies per sheet :</u>			
A4			<b>R6.00</b>
A3			<b>R9.00</b>

**(All tariffs are INCLUSIVE of VAT)**

# TARIFFS 2011/2012

2010/11

2011/12

## **13 DEVELOPMENT & PLANNING (continues)**

### **13.3 Development contributions**

Land Use Planning Ordinance No. 15 of 1985 and relevant Council Policy, directives and legislation are to be used as guidelines when cost for development contributions are determined.

The determined cost amount should be provided to the Town Planning Directorate to be included in the item pertaining the approval of the said application.

	<b>As calculated by the relevant Directors in terms of the approved Council Policy</b>	<b>As calculated by the relevant Directors in terms of the approved Council Policy</b>
Development contributions: Subdivision/Rezoning/Granny flats/(Duette)		
Development contributions to informal areas are to be determined by relevant Directors in terms of approved Council Policy		
Caravan Parks / Hotels / Motels development contributions are to be determined by relevant Directors in terms of approved Council Policy.		
Development contributions in respect of industrial developments with abnormal consumption of services are to be determined by the relevant Directors in terms of approved Council Policy		

### **Alienation and leasing of Municipal land**

Application to purchase or lease Municipal land (not refundable)	<b>R1,350.00</b>
--	------------------

Application to lease Municipal land for gardening purposes (not refundable)	<b>R280.00</b>
---	----------------

### **13.4 Building Plan Fees (Act 103 of 1977)**

New structures, additions & alterations per m <sup>2</sup> - residential	17742-621-2065	<b>R23.00</b>	<b>R25.00</b>
New structures, additions & alterations per m <sup>2</sup> - residential larger than 500 m <sup>2</sup> and non-residential	17742-621-2065	<b>R26.00</b>	<b>R28.00</b>
Agricultural buildings on farms per m <sup>2</sup>	17742-621-2065	<b>R20.00</b>	<b>R21.00</b>
Internal alterations per R1 000 value	17742-621-2065	<b>R23.00</b>	<b>R25.00</b>
Minimum Plan Fee/"As built" plan	17742-621-2065	<b>R250.00</b>	<b>R280.00</b>
Swimming Pool	17742-621-2065	<b>R350.00</b>	<b>R400.00</b>
Retaining walls (with Engineer's certificate)	17742-621-2065	<b>R250.00</b>	<b>R280.00</b>
Temporary structures	17742-621-2065	<b>R250.00</b>	<b>R280.00</b>
Minor building works (approval valid for 6 months) - residential	17742-621-2065	<b>R250.00</b>	<b>R280.00</b>
Minor building works (approval valid for 6 months) - non-residential	17742-621-2065		<b>R350.00</b>
Amend approved building plan (no increase in area of building)	17742-621-2065	<b>R250.00</b>	<b>R280.00</b>
Erect residential houses - low costing housing up to 65m <sup>2</sup>	17742-621-2065	<b>R120.00</b>	<b>R130.00</b>
New structures, additions and alterations - indigent/poor households	17742-621-2065	<b>R40.00</b>	<b>R50.00</b>
New structures, additions and alterations - properties with valuations less than R50 000	17742-621-2065	<b>R25.00</b>	<b>R50.00</b>
Masts and antennas			<b>R1,000.00</b>
Demolition certificate			<b>R350.00</b>
Certificate of Occupancy on completion of building work prior to occupancy			<b>R350.00</b>
Certificate of Occupancy in all other cases other than on completion of building work and prior to occupancy			<b>R1,000.00</b>

Plan Fees : religious, welfare, benevolent and charitable organizations pay 25 % of normal building plan fees with minimum of R280

**(All tariffs are INCLUSIVE of VAT)**

## **TARIFFS 2011/2012**

2010/11

2011/12

### **13 DEVELOPMENT & PLANNING (continues)**

#### **13.5 Builder's deposit**

Refundable Builders Deposit's: Extensions/renovations		<b>R1,500.00</b>	<b>R1,500.00</b>
New Houses		<b>R4,000.00</b>	<b>R4,000.00</b>
Industrial/Commercial	< 500 m <sup>2</sup>	<b>R4,000.00</b>	<b>R4,000.00</b>
Industrial/Commercial	> 500 m <sup>2</sup>	<b>R15,000.00</b>	<b>R15,000.00</b>
Group Housing	< 10 units	<b>R15,000.00</b>	<b>R15,000.00</b>
General Residential	> 10 units	<b>R25,000.00</b>	<b>R25,000.00</b>
Refundable Builder's deposit: indigent/poor households			<b>R750.00</b>

#### **Usage of side walks:** 17742-661-2484

Extensions/renovations : R250 per month with minimum of R750		<b>R750.00</b>	<b>R825.00</b>
New Houses : R350 per month with minimum of R1050		<b>R1,050.00</b>	<b>R1,155.00</b>
Industrial/Commercial : R500 per month with minimum of R1500	< 500 m <sup>2</sup>	<b>R1,500.00</b>	<b>R1,650.00</b>
Industrial/Commercial : R600 per month with minimum of R3600	> 500 m <sup>2</sup>	<b>R3,600.00</b>	<b>R3,960.00</b>
Group Housing : R2000 per month with minimum of R12 000	< 10 units	<b>R12,000.00</b>	<b>R13,200.00</b>
General Residential : R3000 per month with minimum of R18 000	> 10 units	<b>R18,000.00</b>	<b>R19,800.00</b>

The Building Inspectors must monitor the usage of sidewalks and ensure that additional rentals are levied if sidewalks are utilised for more than the specified months .

**(All tariffs are INCLUSIVE of VAT)**

## **TARIFFS 2011/2012**

2010/11

2011/12

### **13 DEVELOPMENT & PLANNING (continues)**

#### **13.6 Outdoor Advertising & Signage**

17742-841-2709

##### Schedules 2 to 8 Applications (Billboards, etc.)

Application fee per sign	<b>R500.00</b>	<b>R550.00</b>
--------------------------	----------------	----------------

Approval fee per square meter	<b>R100.00</b>	<b>R110.00</b>
-------------------------------	----------------	----------------

##### Schedules 2 to 8 Amendments (including extension of time) (Billboards)

Application fee per sign	<b>R350.00</b>	<b>R390.00</b>
--------------------------	----------------	----------------

Approval fee per square meter of total face of sign	<b>R100.00</b>	<b>R110.00</b>
---	----------------	----------------

##### Schedule 9 (Headline posters)

Application fee	<b>R150.00</b>	<b>R165.00</b>
-----------------	----------------	----------------

Approval fee per poster with maximum fee of R200 per event	<b>R5.00</b>	<b>R5.50</b>
--	--------------	--------------

##### Schedules 10 and 11 (Posters, banners, flags, etc.)

Application fee per event or enterprise	<b>R400.00</b>	<b>R440.00</b>
---	----------------	----------------

Approval fee per event or enterprise	<b>R1,000.00</b>	<b>R1,100.00</b>
--------------------------------------	------------------	------------------

##### Schedules 10 and 11 Amendments (Posters, banners, flags, etc.)

Application fee per event or enterprise	<b>R350.00</b>	<b>R390.00</b>
---	----------------	----------------

Approval fee per event or enterprise	<b>R750.00</b>	<b>R830.00</b>
--------------------------------------	----------------	----------------

Extension of time will be dealt with as a new application

##### Schedule 12 (Estate Agent posters)

Application fee	<b>R350.00</b>	<b>R350.00</b>
-----------------	----------------	----------------

Approval fee per Agency per annum	<b>R2,000.00</b>	<b>R2,000.00</b>
-----------------------------------	------------------	------------------

##### Schedule 13 (Portable signs)

Application fee per square meter with maximum fee of R500	<b>R50.00</b>	<b>R55.00</b>
---	---------------	---------------

Amendment fee per square meter with maximum fee of R400	<b>R50.00</b>	<b>R55.00</b>
---	---------------	---------------

##### Schedule 14 (Aerial signs)

Application fee per square meter with maximum fee of R1 000	<b>R60.00</b>	<b>R70.00</b>
---	---------------	---------------

Any amendment will be a new application

##### Schedule 15 (Transit advertising)

Application fee	<b>R100.00</b>	<b>R110.00</b>
-----------------	----------------	----------------

Approval fee per sign per day	<b>R75.00</b>	<b>R85.00</b>
-------------------------------	---------------	---------------

**(All tariffs are INCLUSIVE of VAT)**



## TARIFFS 2011/2012

	<u>2010/11</u>	<u>2011/12</u>
<b>14 CEMETERIES</b>		
14.1 <b><u>Plot Costs (Reserved and paid in advance)</u></b>	R575.00	R620.00
14.2 <b><u>Opening of a grave ** See note</u></b>		
Child Grave (1.4m)	R575.00	R620.00
Single Grave (1.8m)	R730.00	R785.00
Double Grave (2.4m)	R1,030.00	R1,110.00
14.3 <b><u>Re-Opening of a grave ** See note *</u></b>		
Child Grave (1.4m)	R205.00	R220.00
Single Grave (1.8m)	R265.00	R285.00
Double Grave (2.4m)	R345.00	R370.00
14.4 <b><u>Other</u></b>		
Grave in niche wall:	R70.00	R75.00
Permit for erecting of full grave tomb	R435.00	R470.00
Permit for erecting of memorial stone (Hartenbos)	R165.00	R175.00
Rental of grave yard plot		(according to contract)
14.5 <b><u>Graves for Indigent: ** See note</u></b>		
Child Grave (1.4m)	R80.00	R85.00
Single Grave (1.8m)	R160.00	R170.00
Double Grave (2.4)	R320.00	R335.00
<b>Note: Votes vary for the different areas.</b>		
Mossel Bay Cemetery - Burials	15532 621 2080	
Mossel Bay Cemetery - Erections of Tombstones	15532 621 2085	
Great Brak River Cemeteries	15532 623 2080	
Green Haven Cemeteries	15532 624 2080	
Hartenbos Cemeteries	15532 625 2080	
Midbrak	15532 627 2080	
<b>(All tariffs are INCLUSIVE of VAT)</b>		

## **TARIFFS 2011/2012**

2010/11

2011/12

### **15 TARIFFS I.R.O. INFORMATION TO THE PUBLIC AND OTHER SUNDRY TARIFFS**

15.1 Check of, perusal of any account, document, etc.	13300-621-2250	As Per Act	As Per Act
15.2 Seeking of unknown banking payments	13300-621-2250	As Per Act	As Per Act
15.3 Perusal of Deeds, document of drawing	13300-621-2250	As Per Act	As Per Act
15.4 Deed Search			R15.00
15.5 Photostat - A4 (per copy) min. of R6,00	12200- 621-2190	R1.50	R1.65
Photostat - A4 (Friemersheim & Herbertsdale) (per copy)	12200-621-2190	R1.50	R1.65
15.6 Any other information (per enquiry)	13300-621-2250	As Per Act	As Per Act
15.7 Agenda - Council Meeting	12200-621-2190	R350.00	R100.00
Agenda - Executive Mayoral Committee	12200-621-2190	R320.00	R50.00
Copy of Verbatim Minutes ( per A.4 page)	12200-621-2190	R70.00	R90.00
15.8 Valuation Certificate	13300-621-2280	R70.00	R100.00
15.9 <b>Clearance application</b>			
(a) Manual application	13300-621-2094	R33.00	R200.00
(b) Electronic application	13300-621-2094		R50.00
15.10 Ward Voting Lists (per list)	(max. of 5 copies per ) registered political party per ward)	R70.00	R80.00
15.11 Revaluation of property	per property	R480.00	R480.00
15.12 Cheques & debit orders referred back by Bank- Admin Fee	13300-841-2685	R100.00	R100.00
15.13 <b>Duplicate municipal account</b>			
(a) Electronic	per page		R5.00
(b) Hard copy	per page		R7.00
15.14 <b>Any information not in this tariff list - Actual cost plus 15% Admin. Fee</b>	13300-841-2685		

**(All tariffs are INCLUSIVE of VAT)**

# **TARIFFS 2011/2012**

**2010/11**

**2011/12**

## **15 TARIFFS I.R.O. INFORMATION TO THE PUBLIC AND OTHER SUNDRY TARIFFS (Continues)**

### **15.15 TENDER DOCUMENTS**

#### **OLD TARIFF:**

- Documents in respect of a tender value for less than R500 000	<b>R50.00</b>
- Documents in respect of a tender value between R500 000 and R1 million	<b>R100.00</b>
- Documents in respect of a tender value above R1 million	<b>R150.00</b>
- Additional documents	<b>R50.00</b>
(Tender documents available on the web page, as well as per e-mail : free of charge)	

#### **Tender documents with regards to construction work:**

CIDB Grading requested in tender of:

CIDB Grading 2	<b>R100.00</b>
CIDB Grading 3	<b>R150.00</b>
CIDB Grading 4	<b>R200.00</b>
CIDB Grading 5	<b>R250.00</b>
CIDB Grading 6	<b>R300.00</b>
CIDB Grading 7	<b>R350.00</b>
CIDB Grading 8	<b>R400.00</b>
CIDB Grading 9	<b>R450.00</b>

#### **NEW TARIFF:**

##### **Tender documents with:**

1 - 50 pages	<b>R75.00</b>
51 - 100 pages	<b>R150.00</b>
101 - 150 pages	<b>R225.00</b>
151 - 200 pages	<b>R300.00</b>
201 - 250 pages	<b>R375.00</b>
251 - 300 pages	<b>R450.00</b>
301 - 350 pages	<b>R525.00</b>
351 - 400 pages	<b>R600.00</b>

(Additional documents will be charged at the same rate as the original copy of a tender document. As per above charges)

15.16 Carport Hire - Hire of carports by Municipal personnel	<b>R20.00</b>	<b>R25.00</b>
--	---------------	---------------

**(All tariffs are INCLUSIVE of VAT)**

## TARIFFS 2011/2012

2010/11

2011/12

### **16 ENGINEER'S DEPARTMENT & SUNDRY FEES**

#### **16.1 ENGINEER'S DEPARTMENT**

16.1.1	<b><u>Broadening of Vehicle Entrance - Bigger than 4 m<sup>2</sup></u></b>	per m <sup>2</sup>	<b>R240.00</b>	<b>R255.00</b>
16.1.2	<b><u>Molding of Vehicle Entrances:</u></b>			
	First 25 m <sup>2</sup>	per m <sup>2</sup>	<b>R130.00</b>	<b>R137.00</b>
	Thereafter	per m <sup>2</sup>	<b>R270.00</b>	<b>R286.00</b>
	Tiling of Pavement	per m <sup>2</sup>	<b>R180.00</b>	<b>R190.00</b>
	Repair of tarred surfaces	per m <sup>2</sup>	<b>R310.00</b>	<b>R328.00</b>
16.1.3	<b><u>Hire of Plants:</u></b>	per day	<b>R300.00</b>	<b>R318.00</b>
	Per Function : 25 - 30 plants	deposit (refundable)	<b>R420.00</b>	<b>R445.00</b>

#### **16.2 SUNDRIES**

16.2.1	<b><u>Displaying of banner</u></b>			
	Hanging of Banner	per banner per occasion (max. of 7 days)	<b>R700.00</b>	<b>R800.00</b>
16.2.2	<b><u>Licensing of Boats: Great Brak River and Little Brak River</u></b>			
	0 - 7,5 Kw		<b>R23.00</b>	<b>R25.00</b>
	7,6 - 50 Kw	per Kw per year	<b>R2.70</b>	<b>R3.00</b>
	51 - 75 Kw		<b>R115.00</b>	<b>R130.00</b>
		Plus / Kw over 50 Kw /year	<b>R5.40</b>	<b>R6.00</b>
	76 - 100 Kw		<b>R250.00</b>	<b>R275.00</b>
		Per Kw over 75 Kw / year	<b>R8.50</b>	<b>R9.35</b>
16.2.3	<b><u>Hawkers Tariffs:</u></b>	As per negotiations and Council Resolution thereafter		

**(All tariffs are INCLUSIVE of VAT)**

## **TARIFFS 2011/2012**

**2010/11**

**2011/12**

### **17 COLLECTION COSTS LEVIED BY MUNICIPALITY**

#### **17.1 NOTICES**

ELECTRICITY - Business list - 24 hour notice

**R50.00**

**R55.00**

WATER - Notice delivery (7 day notices)

**R50.00**

**R55.00**

Final demands

**R50.00**

**R55.00**

#### **17.2 RESTRICTIONS**

Electricity disconnections

**R200.00**

**R220.00**

Water restriction

**R210.00**

**R230.00**

#### **17.3 FURTHER ACTIONS : ADMINISTRATIVE COSTS**

Admin Fee 1 - Summons

**R230.00**

**R250.00**

Admin Fee 2 - Letter of execution

**R160.00**

**R175.00**

#### **17.4 TRACING**

Credit reports

**R50.00**

**R55.00**

Door to door tracing

**R250.00**

**R275.00**

**(All tariffs are INCLUSIVE of VAT)**

## TARIFFS 2011/2012

	<u>2010/11</u>	<u>2011/12</u>
<b>18 <u>USE OF HARRY GIDDY PARK</u></b>		
18.1 <u>Wedding ceremonies</u>	R150.00 +VAT	R180.00 +VAT
18.2 <u>Church groups</u>	Free	Free
18.3 <u>School groups</u>	Free	Free
18.4 <u>Tea parties</u>	R150.00 +VAT	R160.00 +VAT
18.5 <u>Kids parties</u>	R150.00 +VAT	R160.00 +VAT
18.6 <u>Other parties</u> (Other parties means any other party which, in the opinion of the Municipal Manager, has merit.)	R150.00 +VAT	R160.00 +VAT
18.7 <u>REFUNDABLE DEPOSIT</u> A refundable deposit will be levied for the above-mentioned use of the Harry Giddy Park)	R200.00	R220.00
18.8 <u>Additional fees:</u>		
18.8.1 - If electricity is needed	R20.00	R25.00
(Certain conditions apply to the above-mentioned use of the Harry Giddy Park)		

## TOWN HALL AND COMMUNITY HALLS :2011/2012

	TOWN HALL	D'ALMEIDA HALL	KWANONQABA HALL	JOE SLOVO HALL	FRIEMERSHEIM BRANDWAG SONSKYNVALLEI	COMMUNITY HALLS AT: LITTLE BRAK RIVER, REEBOK DANA BAY & BOGGOMS BAY
WEEK DAYS, EXCLUDING FRIDAY EVENINGS						
Day:	550	320	220	130	160	200
Evening:	670	240	240	170	175	230
FRIDAY EVENINGS, SATURDAYS, SUNDAYS AND PUBLIC HOLIDAYS						
Day:	750	450	400	240	280	390
Evening:	1100	580	540	340	390	550
ADDITIONAL TARIFFS PER OCCASION						
Kitchen						
(Without crockery)	460	290	180	90	110	110
Crockery/cutlery	300	230	N/A	N/A	N/A	N/A
Bar facilities (without glassware)	270	120	N/A	N/A	N/A	N/A
Piano	400	250	N/A	N/A	N/A	N/A
Every hour or portion of hour after 24h00	365	235	215	215	215	215
Breakages deposit refundable	650	550	450	450	450	500
Rent of Chairs (per chair)	7	7	7	7	7	7
Rent of Tables (per table)	25	25	25	25	25	25
Breakages deposit on Chairs & Tables - Refundable	400	400	400	400	400	400

### LEASING PERIODS:

With reference to abovementioned tariffs means:

Day: the period from 09h00 to 17h00

Evening: the period from 17h00 to 24h00

## **DECREASED TARIFFS**

### **CULTURAL, EDUCATIONAL, RELIGIOUS, WELFARE, COMMUNITY, SPORTS AND SERVICE ORGANISATIONS:**

A decreased tariff of 10% of the normal tariff is applied in respect of cultural, educational, religious, welfare, community and service organisations and sports clubs unless entrance or attendance fees are levied in which case the full tariff is payable.

**The decreased tariffs of 10% are not allowed on Friday evenings, Saturdays, Sundays or Public Holidays in respect of the Town Hall.**

Sport organisations and clubs can negotiate a term of tariff, considering the availability of the particular hall.

### **WEEKENDS: (FRIDAYS, SATURDAYS, SUNDAYS AND PUBLIC HOLIDAYS**

A decreased tariff of 20% of the normal weekend tariff is levied from abovementioned type of organisations.

### **MORE THAN THREE CONSECUTIVE DAYS:**

In cases where a hall is leased for more than three consecutive days for the day and evening and the cleaning services are not required, the day tariff will not be levied for the lease period.

### **REHEARSAL OR EXERCISE**

In cases where a hall is leased during normal office hours for rehearsal or exercises and the lessee does not require any preparations or cleaning services or where no overtime tariff is payable to Personnel, a decreased tariff of 10% of the normal day tariff will be applicable. For the purposes of this paragraph "rehearsal or exercise" means:-

To exercise or prepare for a function which will occur at a later date in the particular hall or to teach or to train for a purpose which is in the opinion of the Management and Administration educational of nature".

### **OFFICIAL USE**

The hall/s are made available free of charge for any purposes to the Municipality whilst individual Councillors may use the hall in his ward four times per year for ward committee meetings free of charge.

### **PAYMENT OF RENTAL (EXCLUDING ADDITIONAL TARIFFS) AND CANCELLATIONS:**

1. Rentals are strictly payable in advance with bookings.
2. If any booking is cancelled and the particular hall is leased to another lessee for the same date, the full amount minus 15% administration cost will be paid back to the original lessee. If the hall is not leased for the same date, only 50% of the rental will be refunded.
3. That bookings, as far as possible, not be made longer than two months in advance for any hall.
4. Hiring of Chairs & Tables - Transport thereof for the Lessor

**(All tariffs are V.A.T. INCLUDED)**



# **TARIFFS 2011/2012 - ANNEXURE A**

## **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 30%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES**

#### **A. CONSUMERS WITH CONNECTIONS UP TO 25 MM**

##### **3.1 Single residential, Flats, Other Residential, Complexes with businesses and residential combined** **(Up to 4 consumers with one joint meter) (Tariff code: 101 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 6 kl **	per kl.	R0.00 +VAT
7 kl to 20 kl	per kl.	R7.50 +VAT
21 kl to 30 kl	per kl.	R10.50 +VAT
31 kl to 40 kl	per kl.	R13.50 +VAT
41 kl to 45 kl	per kl.	R18.00 +VAT
46 kl to 50 kl	per kl.	R18.00 +VAT
51 kl to 60 kl	per kl.	R22.50 +VAT
61 kl to 80 kl	per kl.	R27.00 +VAT
> 80 kl	per kl.	R36.00 +VAT

##### **3.2 Businesses with up to 4 consumers and with one joint meter** **(Tariff code: 122 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 20 kl	per kl.	R7.50 +VAT
21 kl to 30 kl	per kl.	R10.50 +VAT
31 kl to 40 kl	per kl.	R13.50 +VAT
41 kl to 45 kl	per kl.	R18.00 +VAT
46 kl to 50 kl	per kl.	R18.00 +VAT
51 kl to 60 kl	per kl.	R22.50 +VAT
61 kl to 80 kl	per kl.	R27.00 +VAT
> 80 kl	per kl.	R36.00 +VAT

##### **3.3 Flats, Other Residential and Business complexes with more than 4 consumers and with one joint meter** **(Tariff code: 121 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 50 kl	per kl.	R7.50 +VAT
51 kl to 60 kl	per kl.	R10.50 +VAT
61 kl to 70 kl	per kl.	R13.50 +VAT
71 kl to 80 kl	per kl.	R18.00 +VAT
81 kl to 100 kl	per kl.	R22.50 +VAT
101 kl to 120 kl	per kl.	R27.00 +VAT
> 120 kl	per kl.	R36.00 +VAT

# **TARIFFS 2011/2012 - ANNEXURE A**

## **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 30%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **B. CONSUMERS WITH CONNECTIONS BIGGER THAN 25 MM**

##### **3.4 Medium connections up to nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 103)**

a) Basic Fee	per month	R1,011.02 +VAT
b) Metered Consumption		
0 kl to 200 kl	per kl.	R7.50 +VAT
201 kl to 300 kl	per kl.	R10.50 +VAT
301 kl to 400 kl	per kl.	R13.50 +VAT
401 kl to 450 kl	per kl.	R18.00 +VAT
451 kl to 500 kl	per kl.	R18.00 +VAT
501 kl to 600 kl	per kl.	R22.50 +VAT
601 kl to 800 kl	per kl.	R27.00 +VAT
> 800 kl	per kl.	R36.00 +VAT

##### **3.5 Medium connections with more than nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 105 & 132)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 200 kl	per kl.	R7.50 +VAT
201 kl to 300 kl	per kl.	R10.50 +VAT
301 kl to 400 kl	per kl.	R13.50 +VAT
401 kl to 450 kl	per kl.	R18.00 +VAT
451 kl to 500 kl	per kl.	R18.00 +VAT
501 kl to 600 kl	per kl.	R22.50 +VAT
601 kl to 800 kl	per kl.	R27.00 +VAT
> 800 kl	per kl.	R36.00 +VAT

##### **3.6 Bulk Consumers (consumed more than 1000 kl/month for four months over a period of 12 months) (Tariff code: 104)**

a) Basic Fee	per month	R5,476.31 +VAT
b) Metered Consumption		
0 kl to 2000 kl	per kl.	R7.50 +VAT
2001 kl to 3000 kl	per kl.	R10.50 +VAT
3001 kl to 4000 kl	per kl.	R13.50 +VAT
4001 kl to 4500 kl	per kl.	R18.00 +VAT
4501 kl to 5000 kl	per kl.	R18.00 +VAT
5001 kl to 6000 kl	per kl.	R22.50 +VAT
6001 kl to 8000 kl	per kl.	R27.00 +VAT
> 8000 kl	per kl.	R36.00 +VAT

# **TARIFFS 2011/2012 - ANNEXURE A**

## **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 30%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **C. SPECIAL WATER TARIFFS**

##### **3.7 Other Special Water Tariffs**

a) Raw Water : Basic plus 15 kl (Tariff code: 107)			<b>R192.20 +VAT</b>
	> 15 kl per kl.		<b>R7.50 +VAT</b>
b) Searles Slood (Tariff code: 109)	0 - 50 kl per kl.		<b>R0.00 +VAT</b>
	> 50 kl per kl.		<b>R7.50 +VAT</b>
c) Buffalo Farming - plus 15% surcharge (Tariff code: 110)			
	0 - 27 kl per kl.		<b>R7.50 +VAT</b>
	28 - 30 kl per kl.		<b>R7.50 +VAT</b>
	31 - 45 kl per kl.		<b>R13.50 +VAT</b>
	46 - 60 kl per kl.		<b>R18.00 +VAT</b>
	61 - 80 kl per kl.		<b>R18.00 +VAT</b>
	> 80 kl per kl.		<b>R22.50 +VAT</b>
d) Buysplaas (Tariff code: 115)	Basic Fee		<b>R28.75 +VAT</b>
	0 - 60 kl per kl.		<b>R7.50 +VAT</b>
	> 60 kl per kl.		<b>R10.50 +VAT</b>
e) JB Hoevers - plus 15% surcharge (Tariff code: 116)			
	0 - 9999 kl per kl.		<b>R6.00 +VAT</b>
f) Punt Hotel (Slegs vir tuine op publieke grond) (Tariff code: 117)			
	0 - 80 kl (no basic) per kl.		<b>As per Agreement,</b>
	> 80 kl plus Basic Fee of		<b>including normal</b>
	> 80 kl per kl.		<b>increases</b>

##### **3.9 Other consumers (special arrangements)**

<b>Vleesbaai (According to approved contract) (Tariff code: 191)</b>			
Basic Fee	per month		<b>R1,013.79 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			
<b>Retirement Village Hartenrus (68) (Tariff code: 174)</b>			
Basic Fee (for 68 household units)	per month		<b>R7,161.58 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			
<b>Santos Haven I (100) (Tariff code: 111)</b>			
Basic Fee (for 100 household units)	per month		<b>R10,530.86 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above			

## **TARIFFS 2011/2012 - ANNEXURE A**

### **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 30%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **3.9 Other consumers (special arrangements) - CONTINUES**

##### **Santos Haven 2 (106) (Tariff code: 152)**

Basic Fee (for 106 household units)	per month	<b>R11,162.60 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		

##### **Mossgas (Tariff code: 151)**

Basic Fee	per month	<b>R5,476.31 +VAT</b>
Metered Consumption for more than 6000 kl consumed	per kl.	<b>Same as Bulk Tariff</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		

##### **Sporting Bodies (Tariff code: 114)**

Metered Consumption	per kl.	<b>R7.50 +VAT</b>
---------------------	---------	-------------------

##### **Departmental Use (Tariff code: 112)**

per kl.	<b>R5.00 +VAT</b>
---------	-------------------

##### **Supply of water in rural areas**

(Certain conditions apply)	6 kl. Per month to registered users	<b>R495.00 +VAT</b>
----------------------------	-------------------------------------	---------------------

# **TARIFFS 2011/2012 - ANNEXURE B**

## **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 20%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES**

#### **A. CONSUMERS WITH CONNECTIONS UP TO 25 MM**

##### **3.1 Single residential, Flats, Other Residential, Complexes with businesses and residential combined** **(Up to 4 consumers with one joint meter) (Tariff code: 101 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 6 kl **	per kl.	R10.00 +VAT
7 kl to 20 kl	per kl.	R10.00 +VAT
21 kl to 30 kl	per kl.	R14.00 +VAT
31 kl to 40 kl	per kl.	R18.00 +VAT
41 kl to 45 kl	per kl.	R24.00 +VAT
46 kl to 50 kl	per kl.	R24.00 +VAT
51 kl to 60 kl	per kl.	R30.00 +VAT
61 kl to 80 kl	per kl.	R36.00 +VAT
> 80 kl	per kl.	R48.00 +VAT

Note: Indigent consumers qualify for 6 kl. Free water notwithstanding the level of the Wolwedans dam.

##### **3.2 Businesses with up to 4 consumers and with one joint meter** **(Tariff code: 122 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 20 kl	per kl.	R10.00 +VAT
21 kl to 30 kl	per kl.	R14.00 +VAT
31 kl to 40 kl	per kl.	R18.00 +VAT
41 kl to 45 kl	per kl.	R24.00 +VAT
46 kl to 50 kl	per kl.	R24.00 +VAT
51 kl to 60 kl	per kl.	R30.00 +VAT
61 kl to 80 kl	per kl.	R36.00 +VAT
> 80 kl	per kl.	R48.00 +VAT

##### **3.3 Flats, Other Residential and Business complexes with more than 4 consumers and with one joint meter** **(Tariff code: 121 and 131)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 50 kl	per kl.	R10.00 +VAT
51 kl to 60 kl	per kl.	R14.00 +VAT
61 kl to 70 kl	per kl.	R18.00 +VAT
71 kl to 80 kl	per kl.	R24.00 +VAT
81 kl to 100 kl	per kl.	R30.00 +VAT
101 kl to 120 kl	per kl.	R36.00 +VAT
> 120 kl	per kl.	R48.00 +VAT

## TARIFFS 2011/2012 - ANNEXURE B

### WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 20% (Refer Tariff 3.11)

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **B. CONSUMERS WITH CONNECTIONS BIGGER THAN 25 MM**

##### **3.4 Medium connections up to nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 103)**

a) Basic Fee	per month	R1,011.02 +VAT
b) Metered Consumption		
0 kl to 200 kl	per kl.	R10.00 +VAT
201 kl to 300 kl	per kl.	R14.00 +VAT
301 kl to 400 kl	per kl.	R18.00 +VAT
401 kl to 450 kl	per kl.	R24.00 +VAT
451 kl to 500 kl	per kl.	R24.00 +VAT
501 kl to 600 kl	per kl.	R30.00 +VAT
601 kl to 800 kl	per kl.	R36.00 +VAT
> 800 kl	per kl.	R48.00 +VAT

##### **3.5 Medium connections with more than nine (9) consumers and with one joint meter using less than 1000 kl per month (Tariff code: 105 & 132)**

a) Basic per consumer	per month	R105.31 +VAT
b) Metered Consumption		
0 kl to 200 kl	per kl.	R10.00 +VAT
201 kl to 300 kl	per kl.	R14.00 +VAT
301 kl to 400 kl	per kl.	R18.00 +VAT
401 kl to 450 kl	per kl.	R24.00 +VAT
451 kl to 500 kl	per kl.	R24.00 +VAT
501 kl to 600 kl	per kl.	R30.00 +VAT
601 kl to 800 kl	per kl.	R36.00 +VAT
> 800 kl	per kl.	R48.00 +VAT

##### **3.6 Bulk Consumers (consumed more than 1000 kl/month for four months over a period of 12 months) (Tariff code: 104)**

a) Basic Fee	per month	R5,476.31 +VAT
b) Metered Consumption		
0 kl to 2000 kl	per kl.	R10.00 +VAT
2001 kl to 3000 kl	per kl.	R14.00 +VAT
3001 kl to 4000 kl	per kl.	R18.00 +VAT
4001 kl to 4500 kl	per kl.	R24.00 +VAT
4501 kl to 5000 kl	per kl.	R24.00 +VAT
5001 kl to 6000 kl	per kl.	R30.00 +VAT
6001 kl to 8000 kl	per kl.	R36.00 +VAT
> 8000 kl	per kl.	R48.00 +VAT

# **TARIFFS 2011/2012 - ANNEXURE B**

## **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 20%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **C. SPECIAL WATER TARIFFS**

##### **3.7 Other Special Water Tariffs**

a) Raw Water : Basic plus 15 kl (Tariff code: 107)		<b>R192.20 +VAT</b>
	> 15 kl per kl.	<b>R10.00 +VAT</b>
b) Searles Slood (Tariff code: 109)	0 - 50 kl per kl.	<b>R0.00 +VAT</b>
	> 50 kl per kl.	<b>R10.00 +VAT</b>
c) Buffalo Farming - plus 15% surcharge (Tariff code: 110)	0 - 27 kl per kl.	<b>R10.00 +VAT</b>
	28 - 30 kl per kl.	<b>R10.00 +VAT</b>
	31 - 45 kl per kl.	<b>R18.00 +VAT</b>
	46 - 60 kl per kl.	<b>R24.00 +VAT</b>
	61 - 80 kl per kl.	<b>R24.00 +VAT</b>
	> 80 kl per kl.	<b>R30.00 +VAT</b>
d) Buysplaas (Tariff code: 115)	Basic Fee	<b>R28.75 +VAT</b>
	0 - 60 kl per kl.	<b>R10.00 +VAT</b>
	> 60 kl per kl.	<b>R14.00 +VAT</b>
e) JB Hoevers - plus 15% surcharge (Tariff code: 116)	0 - 9999 kl per kl.	<b>R8.00 +VAT</b>
f) Punt Hotel (Slegs vir tuine op publieke grond) (Tariff code: 117)	0 - 80 kl (no basic) per kl.	<b>As per Agreement, including normal increases</b>
	> 80 kl plus Basic Fee of	
	> 80 kl per kl.	

##### **3.9 Other consumers (special arrangements)**

<b>Vleesbaai (According to approved contract) (Tariff code: 191)</b>		
Basic Fee	per month	<b>R1,013.79 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		
<b>Retirement Village Hartenrus (68) (Tariff code: 174)</b>		
Basic Fee (for 68 household units)	per month	<b>R7,161.58 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		
<b>Santos Haven I (100) (Tariff code: 111)</b>		
Basic Fee (for 100 household units)	per month	<b>R10,530.86 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		

## **TARIFFS 2011/2012 - ANNEXURE B**

### **WATER CONSUMPTION TARIFFS WHEN WOLWEDANS DAM LEVEL IS BELOW 20%** **(Refer Tariff 3.11)**

2011/12

### **3 WATER TARIFF CHARGES (Continues)**

#### **3.9 Other consumers (special arrangements) - CONTINUES**

##### **Santos Haven 2 (106) (Tariff code: 152)**

Basic Fee (for 106 household units)	per month	<b>R11,162.60 +VAT</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		

##### **Mossgas (Tariff code: 151)**

Basic Fee	per month	<b>R5,476.31 +VAT</b>
Metered Consumption for more than 6000 kl consumed	per kl.	<b>Same as Bulk Tariff</b>
Metered Consumption-Same as in Bulk Consumers in 3.6(b) above		

##### **Sporting Bodies (Tariff code: 114)**

Metered Consumption	per kl.	<b>R10.00 +VAT</b>
---------------------	---------	--------------------

##### **Departmental Use (Tariff code: 112)**

per kl.	<b>R5.00 +VAT</b>
---------	-------------------

##### **Supply of water in rural areas**

(Certain conditions apply)	6 kl. Per month to registered users	<b>R660.00 +VAT</b>
----------------------------	-------------------------------------	---------------------





# **ANNEXURE B**

## **2011/12 DRAFT BUDGET RELATED POLICIES**

Mossel Bay Municipality

# **INDEX**

1. Rates Policy
2. Tariff Policy
3. Customer care, Indigent, Credit control, Debt collection and Tampering policy
4. Cash Management and Investments policy
5. Asset Management policy
6. Funding and Reserve policy
7. Debt and Borrowing policy
8. Expenditure policy
9. Virement policy
10. Supply Chain Management Policy

# MOSSEL BAY MUNICIPALITY



## RATES POLICY

## DOCUMENT AND VERSION CONTROL

**Version:** Revision 7

**Date:** 2011

**Summary:** This document describes the Rates Policy that will be applicable to the Mossel Bay Municipality, with effect from

1 July 2011

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Executive Mayor**

## INDEX

1	INTRODUCTION
2	DEFINITIONS
3	ADOPTION OF RATES POLICY
4	LEVYING OF RATES
5	ANNUAL INCREASE OF RATES
6	LIMITATIONS ON LEVYING OF RATES
7	ADDITIONAL RATES
8	LIABILITY FOR RATES
9	ADJUSTMENT OF RATES
10	GENERAL VALUATION OF RATEABLE PROPERTIES
11	VALUATION CRITERIA
12	INTERIM VALUATION DEBITS
13	CLEARANCE CERTIFICATES
14	OWNERSHIP
15	CONCLUSION

## **MOSSEL BAY MUNICIPALITY**

### **RATES POLICY**

#### ***Introduction***

1. (1) The major source of local taxation is the property tax (property rates). The owners of property in municipal areas have to pay a tax based on a valuation of their properties in order to finance certain municipal services. While this tax is by no means the sole source of municipal revenue, it is an important source of discretionary revenue for the Municipality and enables it to function effectively.
- (2) In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 the Municipality may levy a rate on a property in its respective area. The Council must adopt and implement a Rates Policy that complies with the provisions of any applicable legislation on the levying of fees. It is required that the Council adopt By-laws to give effect to the implementation and enforcement of its Rates Policy. The By-laws differentiate between:
  - (i) Different categories of property
  - (ii) Different categories of owners liable for the payment of rates
- (3) The Council must annually review, and if necessary, adjust its Rates Policy.

#### ***Definitions***

2. All definitions refer to the Act – Mutatis Mutandis

#### ***Adoption of Rates Policy***

3. (1) The Council adopts this policy on the levying of rates on rateable properties in the Mossel Bay Municipal area.
- (2) The Rates Policy will-
  - (a) treat persons liable for rates equitably;
  - (b) determine the criteria to be applied by the Municipality if it-
    - (i) levies different rates for different categories of property;

- (ii) exempts a certain property or a property of a specific category from a rate;
  - (iii) rebates or reductions in respect of a rate; or
  - (iv) increases rates;
- (c) determine criteria for the determination of-
  - (i) categories of properties for levying of rates/
  - (ii) categories of owners/properties for granting exemptions, rebates and reductions;
- (d) determine how the Municipality's powers must be exercised in relation of properties used for multiple purposes;
- (e) identify and quantify all exemptions, rebates, reductions, exclusions and phasing in of rates on properties;
- (f) take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;
- (g) take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax reductions because of those activities, in the case of property owned and used by such organisations for those activities;
- (h) take into account the effect of rates on public service infrastructure;
- (i) allow the Municipality to promote local, social and economic development; and
- (j) any exemptions, rebates or reductions must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government.
- (k) The Municipality will not grant relief in respect of the payment of a rate;
  - (i) to a category of owners/properties other than by way of an exemption, a rebate or a reduction provided for in its Rates Policy.
  - (ii) to the owners of properties on an individual basis.

### ***Levying of rates***

#### Amount due for rates

4. (1) A rate levied on property will be a rate based on the market value of the property shown on the current valuation roll of the Municipality.

#### Rates to be levied on all rateable properties

- (2) The Municipality may levy rates on all rateable property in its area, but is not obliged to levy a rate on a-
  - (a) property of which the Municipality or municipal entity is the owner;
  - (b) public service infrastructure owned by a municipal entity;
  - (c) property in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices;

#### Differential rates

- (3) The Municipality may levy different rates for different categories of rateable property. The categories are determined according to-
  - (a) the use of the property;
  - (b) the permitted use of the property; or
  - (c) the geographical area in which the property is situated.
- (4) The Municipality may differentiate between the following:
  - (a) residential properties;
  - (b) industrial properties;
  - (c) business and commercial properties;
  - (d) Accommodation Establishments;
  - (e) farm property used for-
    - (i) agricultural purposes;



- (ii) other commercial purposes; or
  - (iii) non-commercial purposes;
  - (iv) residential purpose; and
  - (v) purposes other than (d) (i)-(iv);
- (f) unused farmland;
- (g) small holdings used for:
  - (i) agricultural purposes,
  - (ii) residential purposes;
  - (iii) industrial purposes;
  - (iv) business and commercial purposes; and
  - (v) purposes other than those specified in paragraphs a-d;
- (h) privately owned towns serviced by the owner;
- (i) state owned properties;
- (j) municipal properties;
- (k) public service infrastructure;
- (l) formal and informal settlements;
- (m) communal land;
- (n) state trust land;
- (o) protected areas;
- (p) properties on which national monuments are proclaimed;
- (q) properties owned by public benefit organisations;
- (r) properties used for multi purposes.

#### Levying of rates on property in sectional title schemes

- (5) A rate on property, which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme (including garages and storerooms).

#### Properties used for multiple purposes

- (6) The Council of Mossel Bay Municipality will consider applications in this regard on an ad-hoc basis according to Section 9 of Act 6 of 2004.

#### Exemptions, rebates and reductions

- (7) In imposing the rate in the rand for each annual operating budget component, the Council may grant the following exemptions, rebates and reductions to the categories of properties and categories of owners. The Council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular annual budget dictate, or in special circumstances that need certain assistance.

#### Exemptions

- (8) (a) The following owners must be exempted from payment of an Assessment rates levy on their property:
- (i) owned by a religious body or organisation, and exclusively used as a place of assembly for public worship, provided that where such property is used as or for the purpose of a dwelling the exemption contemplated by this paragraph shall only apply if such property is so used by;
  - (ii) a minister of religion or an employee in the full-time service of such body or organisation;
  - (iii) owned by a church and used for the residence of a minister of religion in the full-time service of such church;
- (b) Council may decide which other properties will be exempted from rates in accordance with the Property Rates Act.
- (c) Road reserves are exempted from payment of rates in accordance with Act 7 of 1998 on Road Agencies.
- (d) Rateable property registered in the name of the Council/Municipal entity.

- (e) Properties which qualify as Public Infrastructure must be granted a rebate of [~~30~~] 75%.

#### Rebates and reductions

- (9) (a) The following owners may be granted a rebate on, or a reduction in the rates payable on their property:
- (i) Pensioners that meet the following criteria:
- i. Registered owner of property;
  - ii. Applicant must reside on the property;
  - iii. Income not exceeding an amount set by Council;
  - iv. Applications for rebates or reductions must apply annually. Already approved applicants must re-apply yearly before 30 June. Late applications will be considered by the Director of Finance and the rebate, if approved, will be prorated from date of application;
  - v. New applications received will be handled on merit and prorated from the date of application;
  - vi. Where an institution applies for rebate or reduction in rates, they must submit a zero tax certificate for SARS;
  - vii. If the above is not available, statement of the most recent income and expenditure must be provided as proof of no profit motive;
  - viii. In the case where an indigent owner (except pensioners) apply for rebate or reduction of rates an affidavit must accompany the application.
- (ii) State Hospitals, State clinics, Schools and other state institutions, institutions for mentally ill persons, which are not operated for gain;
- (iii) Rateable property registered in the name of an agricultural society affiliated to or recognised by the South African Agricultural Union, which is used for the purpose of such society;

- (iv) Cemeteries and crematoriums, which are registered in the names of private persons and which are used exclusively for burials and cremations;
  - (v) Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charges or not;
  - (vi) Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports;
  - (vii) State subsidised Crèches;
  - (viii) Rateable property registered in the name of benevolent or charitable organisations, or any rateable property let by the Council to any of the named organisations;
  - (ix) Indigent owners;
  - (x) Owners temporarily without income;
  - (xi) Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions;
  - (xii) Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that section;
  - (xiii) State or public infrastructure and their rates may be reduced to a percentage, which is contemplated in Section 17(1)(a) of the Act;
  - (xiv) Owners of agricultural properties who are bona fide farmers;
  - (xv) Privately owned towns.
- (b) (i) When considering the criteria in respect of any exceptions, rebates and reductions on properties used for agricultural purposes the Municipality will take into account:
- i. the extent of service provided by the Municipality;

- ii. the contribution of agriculture to the local economy;
  - iii. the extent to which agriculture assists in meeting the service delivery and development obligations of the Municipality;
  - iv. the contribution of agriculture to the social and economic welfare of farm workers.
- (ii) When valuations are done in respect of bona-fide farming activities in rural areas the following are exempted:
- i. structural works, dipping tanks, storage tanks, walls silos and kraals, if permanently constructed.
  - ii. irrigation works, dams, boreholes, wells, permanent fences, reclamation works, subsoil drainage, plantations, vineyards and orchards; and
  - iii. any residential building erected for occupation by bona fide farm workers; provided that, if the valuation of any such building exceeds an amount determined by Council, such building shall be deemed to be included to the extent to which such valuation exceeds the prescribed amount, and for the purpose of the foregoing provisions of this paragraph any portion of a building as aforesaid which is designed or adapted for separate occupation for residential purposes shall be deemed to be a separate residential building; provided further that residential buildings excluding those referred to in this paragraph shall be excluded from the provisions of this regulation;
  - iv. the amount determined in (iii) above may be revised by Council in its budgeting process;
  - v. where a building was not completed for a whole financial year but levied with a interim for the whole of the year, pro-rata credit from date of completion can be passed on request of the owner. The Building Inspector must confirm this date of completion. Credit will only be passed for the period where the buildings were not completed.

## Industrial incentives

- (10) Council may grant industrial incentives on an ad-hoc basis to encourage large industrial developments

## Reporting

- (11) The **Accounting Officer** [Municipal Manager] will annually table to the Municipal Council-
- (a) a list of all exemptions, rebates and reductions granted during the previous financial year; and
  - (b) a statement reflecting the income foregone for the Municipality by way of such rebates and reductions. All rebates and reductions will be reflected in the annual budget of the Municipality-
    - (i) as income on the revenue side; and
    - (ii) as expenditure on the expenditure side.

## *Annual increase of rates*

5. The Municipality will consider increasing its rates in terms of the provisions of Section 20 of the Act. Rates increases will be used to finance the increase in operating costs of community and subsidised services or as may be necessary.

## **Limitations on levying of rates**

### Constitutional constraints

6. (1) The Municipality may not exercise its power to levy rates on property in a way that would materially and unreasonably prejudice-
- (i) national economic policies;
  - (ii) economic activities across its boundaries; or
  - (iii) the national mobility of goods, services, capital or labour.
- (2) Rates that are disallowed include rates on-
- (a) property belonging to land reform beneficiary for a period of ten years the date on which such beneficiary's title is registered in the office of the Registrar of Deeds, for so long as the property is

owned by the land reform beneficiary who first acquires title and his or her heirs;

- (b) an amount determined by Council to be deducted from the value of all residential property; the Minister may from time to time, increase this monetary limit to reflect inflation

### ***Additional rates***

#### Special rating areas

- 7. Special rating areas will be handled according the prescriptions of the Property Rates Act 6 of 2004.

### ***Liability for rates***

#### Method and time of payment

- 8. (1) (a) The Municipality will recover the rate levied in periodic instalments of equal amounts in twelve months. The instalment is payable on/before the due date as printed on the monthly consumer account. Interest will be charged at 1% above the prime interest rate for any late payments received.
- (b) By prior arrangement with the Municipality the rate may be paid in a single amount before 30 September of the year it is levied in. **Interest will be charged at 1% above the prime interest rate for any late payments received.** [however,] Application must be submitted before 31 May for this option. The Director of Financial Services or a delegated official will consider any late applications.
- (c) In the case of an interim debit raising where the account is payable annually, the due date for payments will be 3 months from date of debit raising. **[Monthly interim debit accounts must be divided in 12 monthly instalments to ensure a uniform tax base].**

#### Recovery of arrear rates from tenants, occupiers and agents

- (2) If an amount due for rates levied in respect of a property is unpaid after the day determined, the Municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount the Municipality might recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount the Municipality recovers from the tenant or occupier of the property may be

set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner.

- (3) The Municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the Municipality may recover from the agent or other person is limited to the amount of the rent received by the agent or that person after written notice has been given by the Municipality to that agent or person, less the commission due to that agent or person, subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the Municipality, furnish the Municipality with a written statement specifying all payments for rent on the property received by that agent or person during a period determined by the Municipality.

### ***Adjustments of rates***

9. (a) The compulsory phasing in of certain rates will be handled in terms of the provisions of Section 21 of the Act.
- (b) Where incorrect debits were raised regarding rates, the accounts under query will be rectified from the financial year in which the error has occurred, subject to the provisions of the Prescription Act. Corrections in respect of valuations must be done in terms of the Property Rates Act.

### ***General valuation of rateable property***

General valuation and preparation of valuation rolls

10. The Municipality must in terms of the provisions of this Act, execute a general valuation done of all properties. A municipal valuator must be appointed through an open, competitive and transparent process.

### ***Valuation criteria***

Valuation

11. (1) (a) Properties are valued in accordance with generally recognised valuation practices, methods and standards, and the provisions of this Act.
- (b) Council may determine whether-
- (i) a physical inspection of the property to be valued; or



- (ii) a comparative, analytical and other systems or techniques may be used, including aerial photography and computer assisted mass appraisal systems or techniques.
- (c) Valuations are rounded off to the nearest R1000.00

#### METVALUE System

- (2) The METVALUE computer programme is in use by the Municipality to assist in the valuation process. This programme uses the erf data from the municipal financial database. Data and photos are gathered during on-site inspections and captured on the METVALUE system. The property is then electronically valued. Management information is made available. A valuation roll for public inspection gets printed and notices are generated to send to the owners. The valuations are imported into the financial system of the Municipality once the valuation process has been completed.

#### Valuations: uncompleted buildings

- (3) Uncompleted homes and buildings should only be valued if the valuations of improvements amounts to more than R30 000.00.

#### *[Interim valuation debits*

- 12. **In the event that a property has been transferred to a new owner and an Interim Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for settling the interim rates account.]**

#### *Clearance certificates*

- 13. Rates Clearance Certificates

- (a) will be valid for up to 120 days.
- (b) No extension on a certificate will be granted. If it expires a new application for clearance must be made,
- (c) If the valid period surpasses 30 June, the total annual debit for the following financial year will be payable.
- (d) Outstanding services of tenants may only be recovered for a maximum period of two years **if a request is lodged for a Section 118 (1) Clearance Certificate. If this is done the transport attorney as well as the buyer of**

**the property must be informed that the remaining debt will remain on the property according to subsection 3, the buyer will then be held responsible for it.**

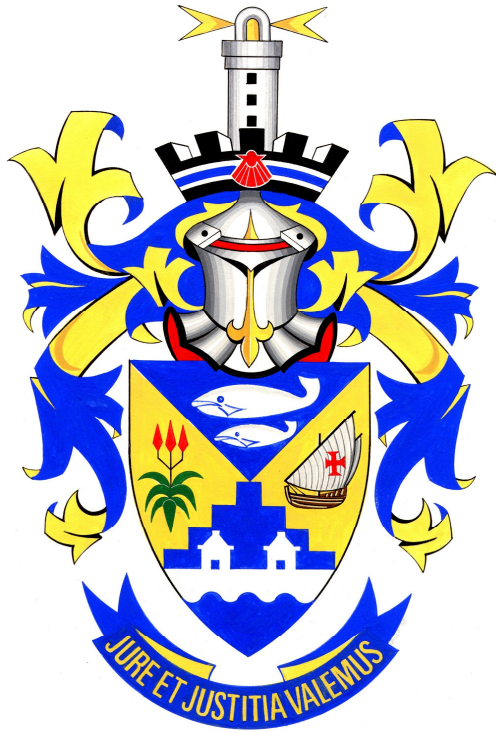
### ***Ownership***

14. Properties, which vest in the Municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer. The developer will be responsible for the maintenance of services on the properties until the properties have been transported back in the name of the Council.

### ***Conclusion***

15. The ordinary municipal rate is not levied according to specific service benefits, but according to ability to pay, as evidenced by the ownerships of fixed property, the justification of the tax being the community of interest. It is a tax, and a tax is a common burden. It is levied to pay for benefits and services to the community as a whole in which no particular individual, or set of individuals derives any measurable and specific benefit from the rest

# MOSSEL BAY MUNICIPALITY



## TARIFF POLICY

## DOCUMENT AND VERSION CONTROL

**Version:** Revision 7

**Date:** 2011

**Summary:** This document describes the Tariff Policy that will be applicable to the Mossel Bay Municipality, with effect from

1 July 2011

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Executive Mayor**

## INDEX

1. INTRODUCTION
2. DEFINITIONS
3. GENERAL PRINCIPLES
4. NEED FOR A TARIFF POLICY
5. SOURCES OF REVENUE
6. PRICING STRATEGY
7. CATEGORIES OF TARIFF CHARGES
8. LEGISLATION
9. CLASSIFICATION OF SERVICES
10. POLICY PROPOSAL
11. TARIFFS FOR TRADING ECONOMICAL AND OTHER SERVICES
12. ELECTRICITY TARIFFS
13. WATER TARIFFS
14. REFUSE REMOVAL TARIFF STRUCTURES
15. SEWAGE TARRIFF
16. SUNDRY SERVICE TARIFF STRUCTURES
17. CONCLUSION

# MOSSEL BAY MUNICIPALITY

## TARIFF POLICY

### *Introduction*

1. In terms of section 74 of the Local Government : Municipal Systems Act, 2000, the Mossel Bay Council must adopt and implement a Tariff Policy that complies with the provisions of any applicable legislation on the levying of fees for municipal services provided by or on its behalf. The Tariff Policy may differentiate between different categories of users, debtors, service providers, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination. Section 75 of the Systems Act requires that the Council adopt by-laws to give effect to the implementation and enforcement of its Tariff Policy.

### *Definitions*

2. In this Policy, unless inconsistent with the context-

**“Accounting Officer” [municipal manager]** means **the municipal manager [a person] appointed in terms of [under] section 82 of the Local Government: Municipal Structures Act, 1998** (Act 177 of 1998) and **being the [person who is the] head of administration and [also the] accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000)** [for the municipality and where necessary includes an “acting municipal manager”];

**“Accommodation Establishments”** consist of one or more of the following types of accommodation:

- a. **“Camping”** (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for the use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title, share blocks or individual subdivision; and excludes resort accommodation or mobile homes.
- b. **“Bed and breakfast”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family.

- c. **“Guest house”** (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests.
- d. **“Self catering accommodation”** (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate.
- e. **“Self-catering apartments”** (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen / -ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house.
- f. **“Backpackers accommodation”** (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such outbuildings as are normally used therewith and includes a building in which dormitories/rooms/beds are rented for residential purposes, youth hostel, and backpackers’ lodge; but does not include a hotel, dwelling house, second dwelling or group house.
- g. **“Boarding house”** a dwelling–house or second dwelling which is used for the purpose of supplying lodging with or without meals or self catering to non permanent/permanent residents for compensation; provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family.

**“Additional residential units”** additional units erected on an erf zoned as single or general residential, it can form part of the main structure or be separated. The size of the additional units must vary between 30 and 120 square meters and does not have to have separate service connections. Loose standing units may only have a ground level structure. Each unit must have direct access from ground level.

**“customer/user”** means any person to whom a service is rendered or made available by the council

**“households”** all matured persons older than 18 years that occupied a property within the jurisdiction of the Council regardless whether the person rents or owns the property;

**“indigent household”** a Household qualify as indigent on the following conditions:

- (i) Total monthly household income must not be more than twice (2x ) the monthly State old age pension and
- (ii) The average electricity consumption for the past four months must not exceed 300kwh per month and
- (iii) The average water consumption for the past four months must not exceed 15kl water per month.

**“interest” a charge levied, with the same legal priority as service charges, on arrear amounts calculated at an interest rate which is one percent higher than the prime interest rate.**

**“municipal area”** means the area in respect of which the municipality has executive and legislative authority as determined by the Constitution and national legislation and the area as demarcated by the Demarcation Act 1998 (Act 27 of 1998);

**“municipal council”** means the council of Mossel Bay Municipality;

**“municipality”** means:

- (a) an organ of state within the local sphere of government exercising legislative and executive authority in an area determined under the Local Government: Municipal Demarcation Act 1998 (Act 27 of 1998);
- (b) a municipality consists of:
  - (i) the political structures and administration of the municipality; and
  - (ii) the community of the municipality;
- (c) functions in the area in keeping with the political, statutory and other relationships between its political structures, political office bearers and administration and its community; and



- (d) as a separately legal personality that excludes liability on the part of its community for the actions of the municipality.

**“occupier”** means the person who controls and resides on, or who controls and otherwise uses immovable property or a portion thereof; provided that-

- (a) the husband or wife of the owner of immovable property which is at any time used by such owner and husband or wife as a dwelling, shall be deemed to be the occupier thereof;
- (b) where husband and wife both reside on immovable property and one of them is an occupier thereof, the other shall also be deemed to be an occupier thereof, and
- (c) a person who-
  - (i) resides in or occupies a room or rooms in a boarding house, lodging house, home for elderly people (other than a person, and the husband or wife of such person, who, by paying a capital amount, has acquired and exercises a lifelong right to so reside in or occupy a room or rooms in a home for elderly people), hostel, hotel, motel, hotel, club mess, barracks, nurses home or other place of a like nature;
  - (ii) resides in or occupies a separate room or rooms on immovable property occupied by any relative of such person;
  - (iii) as a boarder or lodger, resides in or occupies a room or rooms on immovable property owned or occupied by any other person, or
  - (iv) occupies an area of land or building or portion of a building solely for the purpose of parking, leaving or storing any vehicle or craft thereon or therein;

shall be deemed not to be an occupier of the immovable property concerned.

**“owner”** means

- (a) the person in whom the legal title to the premises is vested;
- (b) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator or other legal representative;

- (c) in any case where the Municipality is unable to determine the identity of such person, a person who is entitled to the benefit of such premises or a building thereof;
- (d) leased for a period of not less than 30 (thirty) years, whether the lease is registered or not, the lessee thereof;
- (e) in relation to –
  - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional titles Act 1986, (Act 95 of 1986), and without restricting the above provisions, the developer or the body corporate in respect of the common property, or
  - (ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed, including the lawfully appointed representative of such person;
- (f) any legal person including but not limited to:
  - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973) Trust *inter vivos*, Trust *mortis causa*, a closed Corporations Act, 1984 (Act 69 of 1984), and a Voluntary Association;
  - (ii) any government department;
  - (iii) any council or board established in terms of any legislation applicable to the Republic of South Africa;
  - (iv) any embassy or other foreign entity
- (g) owned by a council and which has been disposed of, but which has not been transferred to the person it has been disposed of, from the date of the disposition concerned, such person; and
- (h) owned by or under the control or management of a council while held under a lease of any express or tacit extension thereof or under any other contract or under a servitude or right analogous thereto, the person so holding the immovable

**“poor households”** A household qualify as a poor household on the following conditions:

- i. Total monthly household income must be more than twice (2x ) the monthly State old age pension, but less than an amount determined by Council and

- ii. The average electricity consumption for the past four months must not exceed 300kwh per month and
- iii. The average water consumption for the past four months must not exceed 15kl water per month.

**“Public Benefit Organisation” Properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act.**

“**Tariff Policy**” means a Tariff Policy on the levying of fees, rates or taxes for municipal services provided by the municipality itself and that complies with the Municipal Systems Act 2000 (Act 32 of 2000);

“**the Act**” means the Municipal Systems Act, 2000 (Act 32 of 2000).

***General Principles***

Objective

- 3 (1) The objective of this Tariff Policy is to ensure the following:
- (i) Tariffs must conform to acceptable policy principles;
  - (ii) Municipal services must be sustainable;
  - (iii) Tariffs must comply with the applicable legislation; and
  - (iv) Tariffs should take poor people and limited consumption into consideration

Responsibility / accountability

- (2) The Mossel Bay Council has the overall responsibility of laying down the Tariff Policy.

Tariff Policy principles

- (3) In terms of section 74(2) of the Systems Act 2000, the Municipality's Tariff Policy reflects the following principles:
- (i) Users of municipal services are treated equitably in the application of tariffs;

- (ii) The amount individual users pay for services are generally in proportion to their use of that service;
- (iii) Poor households have access to at least basic services through:
  - Special or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
  - Any other direct or indirect method of subsidisation of tariffs for poor households.
  - Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- (iv) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision;
- (v) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;
- (vi) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- (vii) The economical, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged; and
- (viii) The extent of subsidisation of tariffs for poor households and other categories of users are fully disclosed.
- (ix) It can be further stated that tariffs, rates and the employment of resources, in general, take into account the Council's IDP principles and goals.

### ***Need for a Tariff Policy***

Revenue adequacy and certainty

4. (1) The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:
  - (i) Fully exploit the available sources of revenue to meet its development objectives; and
  - (ii) Be reasonably certain of its revenue to allow for realistic planning.

#### Sustainability

- (2) Financial sustainability requires a budget that balances. This means that the Municipality must ensure that:
  - (i) Services are provided at affordable levels; and
  - (ii) It is able to recover the costs of service delivery.

It must be realised that no bailout will be provided if the budget is exceeded or if proper financial management controls are not established. Indigent members of the community have the right to have access to at least a minimum level of basic services. Therefore, there is a need to subsidise poor households, who are unable to pay for full service costs.

#### Effective and efficient resource use

- (3) Resources are scarce and must be used in the best possible way to reap the maximum benefit for the community. However, there are no mechanisms available to ensure the effective allocation of resources. It is therefore important that the community provide the necessary checks and balances. They can do this by participating in the budget process. Efficiencies in spending and resource allocation will ultimately increase the access of the poor to basic services.

#### Accountability, transparency and good governance

- (4) The Municipality must be accountable to the community for the use of its resources. Councillors must be able to:
  - (i) Justify their expenditure decisions; and
  - (ii) Explain why and how, the revenue necessary to sustain expenditure is raised.

Budgeting and the financial affairs must be open to public scrutiny. The community must have greater voice making decisions about how revenue

is raised and spent. Community participation in budgeting must include those groups in the community who face particular constraints in participating. It must also include a capacity-building component to ensure that people understand the prioritisation process (why resources are allocated to one area rather than another).

#### Equity and redistribution

- (5) Members of the community must be treated equitably with regard to the provision of services.

#### Development and investment

- (6) Meeting basic needs in the context of existing services backlogs will require increased investment in municipal infrastructure.

### ***Sources of Revenue***

- 5. (1) In terms of section 229 of the Constitution of the Republic of South Africa 1996, Act 108 of 1996, the Municipality may impose:
  - (i) Rates on property and surcharges on fees for services provided by or on behalf of the Municipality; and
  - (ii) If authorised by national legislation, other taxes, levies and duties appropriate to local government, but it may not impose income tax, value-added tax, general sales tax or customs duty.
- (2) The power of the Municipality to impose rates on property, surcharges on fees for services provided by or on behalf of the Municipality, or other taxes, levies or duties:
  - (i) May not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and
  - (ii) May be regulated by national legislation.
- (3) In terms of section 4(1)(a) of the Systems Act, the Council has the right, amongst other things, to finance the affairs of the Municipality by:
  - (i) Charging fees for services; and
  - (ii) Imposing surcharges on fees, rates on property and to the extent authorised by national legislation, other taxes, levies and duties.

Section 16 of the Systems Act requires the Municipality to establish appropriate mechanisms, procedures and processes to ensure community participation in, amongst other things, the preparation of its budget.

### *Pricing Strategy*

6. (1) The strategy must be to recover the full financial cost of rendering the services required by and delivered to the community from the community, including the cost of capital. The points of departure pertaining to a pricing strategy are:
  - (i) The starting point to recover cost is the determination of service levels. These shall be based on basic human needs;
  - (ii) The second point will be to ensure a sustainable service delivery based on the set service level; and
  - (iii) The third point will be the upgrading of services to higher levels in accordance with the level of affordability by the community and the ability to render the upgraded services in a sustainable manner.
- (2) The following must be considered in the pricing strategy in order to accurately determine and recover the cost pertaining to a service:
  - (a) *Management cost*

Resource management expenditure is those activities that are required to deliver, regulate, manage and maintain the service.
  - (b) *Capital costs*

Capital cost expenditure is the obligation to meet the repayments on loans negotiated to finance the provision of the service.
  - (c) *Maintenance costs*

These are normal running costs to maintain the service at the established level of service provision.
  - (d) *Consumption / Usage*

In the case of a measurable service, the actual cost of usage of the service is easily determined. Where measurable services are provided (usually to informal areas) without measuring devices being installed, the cost will be calculated by using the appropriate

charge multiplied by the bulk registered consumption or estimated volume of consumption divided by the number of households / properties.

(e) *Cost of immeasurable services*

These services are normally community based and subsidised services and the cost will be recoverable through a rating policy as determined from time to time. Recovery of costs will therefore be equalised over the total area of jurisdiction and the principle of collective payment will apply.

### ***Categories of Tariff Charges***

#### **Services charges**

7. (1) An important source of local own revenue is charges that are directly related to the provision of municipal services. The majority of these are utility charges, such as electricity and water, which have contributed significantly to the growth of revenue of municipalities. Cost recovery is an essential part of sustainable service delivery. The system of revenue sharing within a service is aimed at subsidising the operating costs of basic services to indigent and low-income households.

#### **Collection of levies**

- (2) The municipality may in future be required to impose and collect levies for other authorities, such as a District Municipality, or community based organisations. Such levies are imposed as the result of provisions contained in acts or bylaws and individual service delivery agreements. The municipality acts as an agent for such an organisation and may recover its cost by means of commissions or administration fees.

### ***Legislation***

8. (1) Section 160 of the Constitution determines that the Municipality may not delegate the power to impose taxes, tariffs and other charges. Such tariffs must be approved by means of a decision of the majority of the Councillors in a Council, after taking all the required factors into consideration.

#### **Water & Sanitation**

- (2) In respect of the provision of water and sanitation services, the Water Services Act of 1997 determines that a Municipality or another water services provider must supply water and sanitation services in terms of



conditions set by the Municipality. The condition that must be set, amongst other things, is to provide for the determination and structure of tariffs. These powers must be read with section 21 of the Act in terms of which the Municipality must pass bylaws that provide, amongst other things, for the determination and structure of tariffs and the payment and collection of money due for water and sanitation.

#### Electricity

- (3) In terms of section 9 of the Electricity Act 1987 the holder of an electricity license may not charge any consumer with other tariffs than those specified in the schedule of approved tariffs in its license. Further, a Municipality that holds an electricity license is obliged to supply electricity within the area of supply mentioned in its license, to every applicant who is in a position to make satisfactory arrangements for payment thereof.

#### Other Services

- (4) In terms of section 74 of the Systems Act, the Council must adopt and implement a Tariff Policy that complies with the provisions of any applicable legislation on the levying for municipal services provided by or on its behalf. The Tariff Policy may differ between different categories of users, debtors, service providers, service standards geographical areas and other matters as long as the differentiation does not promote discrimination. Section 75 of the Systems Act requires that the Council adopt a bylaw effecting to the implementation and enforcement of its Tariff Policy. Such bylaws may differentiate between categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount in discrimination.

#### *Classification of Services*

9. (1) Traditionally, municipal services have been classified into five groups:

##### Trading services

- (a) Water and electricity provisions are trading services. Typically the consumption of a trading service is measurable and can be apportioned to an individual consumer. These services are managed like businesses. The tariffs for these services are determined in such a way that a nett trading surplus is realised. The trading surplus is used to subsidise the tariffs of non-trading services, in other words, to relieve property rates.

##### Economical services

- (b) Sewerage and refuse removal are economic services. Whilst they are also managed like businesses, the tariffs for services are determined in such a way that user charges cover the cost of providing the service. It is, however, common practice to set tariffs at a profit margin if possible subsidise tariffs on non-trading services.

#### Subsidised services

- (c) Subsidised services include fire fighting, approving building plans and the construction of buildings, leasing of municipal facilities, selling of burial sites and certain town planning functions. The consumption of subsidised services can be determined reasonably accurately and apportioned to individuals and consumers. However, if the tariffs for using this service were based on its real cost, nobody would be able to afford it. In most cases not only would the consumer benefit from using the service, but also other people. A user charge is payable for using the service, but the tariff is much lower than the real cost of providing the service.

#### Community services

- (d) Community services are those services where the consumption cannot be determined nor apportioned to individual consumers. These services are typically financed through rates. Examples are the establishment, operation and maintenance of parks and recreation facilities, provision and maintenance of roads and storm water drainage systems, the establishment management and maintenance of cemeteries and traffic regulation.

#### Support services

- (e) The Municipality also provides services in support of the above-mentioned services. These are staff functions and include secretarial and committee services, records and archives, financial-, technical- and corporate management, accounting and stores, Information Technology, occupational health and safety and human resources management. These services are financed through property rates.

### ***Policy Proposal***

A minimum amount of basic services must be subsidised to the poor.

10. (1) (a) The Municipality subscribes to a policy that entitles poor households which includes indigent consumers to a minimum amount of subsidised basic services. A basic service is a service that is necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety of the environment. This goal is achieved by providing a minimum amount of subsidised basic services to such consumers through its policy on indigence.

The specific services are:

- (i) Potable water;
  - (ii) Domestic sewage removal;
  - (iii) Domestic refuse removal; and
  - (iv) Electricity
- (b) The determination of minimum levels of these services is influenced by national guidelines as well as local social and economical conditions.
- (c) The subsidies are financed from the Equitable Share allocations by National Treasury in terms of which the Division of Revenue Act must be determined in such a way that the sustainability of the special fund, created for this purpose, be guaranteed. Council will strive to minimise the burden of shortfalls in subsidies in poor households. Any shortfalls can be subsidised by Rates and Service charges.

#### Keeping tariffs affordable

- (2) The Council is keenly aware of the financial situation of most residents within the municipal area. Therefore, the Council undertakes to keep tariffs at affordable levels as far as possible. In order to ensure that tariffs remain affordable, the Council will ensure that:
- (i) Services are delivered at an appropriate level;
  - (ii) Efficiency improvements are actively pursued across all its operations;
  - (iii) A performance management system is introduced to ensure that plans that are devised are actually implemented, that resources are obtained as economically as possible, used

efficiently and effectively and the appropriate service delivery mechanisms are used;

- (iv) Any service that is provided for which there is little demand, that is priced under the actual cost of providing it, and which requires the maintenance of significant infrastructure and other facilities, will be phased out, except where the Council is by law required to provide such a service.

#### Fully exploiting sources of revenue

- (3) (a) Property rates are an important source of discretionary revenue for the Municipality. It is used to finance services that cannot be apportioned to individual consumers and to balance the budget after service charges have been determined. It is therefore imperative that property rates must be imposed on, and is payable in respect of, all rateable properties within the municipal area. All rateable properties will be subject to and liable for paying rates.
- (b) Consequently it is the policy of the Council:
  - (i) That tariffs for service and property rates will be reviewed annually;
  - (ii) That tariff increases must be in line with increases in the price of goods, material and other resources acquired and used by the Municipality to perform its function, as well as any specific costs relating to the supply of a service during a financial year; and
  - (iii) The tariff for a particular service must be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision – this is only applicable for Economic and Trading Services.

#### Introducing the "Consumer Must Pay Principle"

- (4) Having regard for the above-mentioned policy on a minimum amount of subsidised basic services for the indigent, the Council believes that consumers of services must pay for the amount of services that they use. Where it is possible to measure the consumption of services, the Council

will develop a program to install meters in appropriate cases. Also it is the Council's policy that the tariffs for such services must include all relevant cost factors.

#### Redistribution / Cross-subsidisation

- (5) Some members of the community are better able to afford to pay for the services that they use and have the benefit of, than other. The budget of the Municipality is an important device in ensuring redistribution within the community. Those that pay higher property rates based on the value of their properties, in fact subsidise those who pay less tax. The Council will ensure that the cross-subsidisation occurs between and within services to further contribute to its redistribution objectives.

#### Promoting local economic competitiveness and development

- (6) The size of the property rates and service charges accounts presented to local business is a significant business overhead for any business enterprise in the municipal area. The overhead of a business is one of the factors that influence the price of goods and services sold by it, and therefore its profitability and chances of survival. The Council will take care that the municipal account presented to local business is fair. To ensure fairness toward local business the Council will, when it determines tariffs, take into account the desire:
  - (i) To promote local economic competitiveness; and
  - (ii) To promote local economic development and growth.

#### Ensuring financial sustainability of service delivery

- (7)
  - (a) The Constitution, Systems Act and Water Services Act require that the Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that its financing is sufficient. The tariff for a service must therefore be sufficient to cover the cost of the initial capital expenditure required and interest thereon, managing and operating the service and maintaining, repairing and replacing the physical assets used in its provision. However, sustainability does not only mean that the price of the service must include all the relevant cost elements, it also means that the charges to be levied must be collected.
  - (b) The Council therefore adopted and applies a Credit Control policy to ensure that property rates and service charges are recovered. Where a trading and economic service is available to a property, an

availability levy is imposed if the occupier of the property does not use the service concerned or if the property is vacant. The availability levy must be adequate to cover the pro rata cost of the initial capital expenditure and the maintenance of the infrastructure associated with service delivery.

#### Tariff determination process

- (8) (a) Except in special circumstances, such as significant increases in the wholesale price of goods and services that the Council purchases during a year to provide services, the Council will review its tariffs during the preparation of the annual budget in accordance with the policy stated above. Proposed tariffs will be presented to the community during the Council's consultations on the budget.
- (b) Immediately after the Council has determined or amended a tariff, the **Accounting Officer** [municipal manager] must cause a notice in this regard to be displayed at a place installed for this purpose at all the offices of the Municipality as well as at such other places within the municipal area as she/he may determine. The notice must state:
- (i) The general purpose of the resolution;
  - (ii) The date on which the notice is displayed;
  - (iii) That any person who desires to object to such determination or amendment must do so in writing within 14 days after the date on which the notice was displayed; and
  - (iv) That any person who cannot write may come, during office hours, to a place where a staff member of the Municipality named in the notice, will assist that person to transcribe her/his objection.
- (c) If no objection is lodged within the period stated in the notice, the determination or amendment will come into operation on the date determined by the Council. Where an objection is lodged, every objection must be considered. The Council may, after it has considered all objections, confirm, amend, or withdraw the determination or amendment and may determine another tariff and the date on which the determination or amendment will come into operation.

- (d) After the Council has determined another tariff, it will again give notice of the determination, amendment or date as determined above and will also publish it prescribed.

#### Limiting of the financial risk of service delivery

- (9) (a) Due to the fact that accounts for most services are payable between three and six weeks after the services were rendered, it is necessary to hold guarantees, in the form of deposits, for such consumers:
  - (i) to cover the cost of services not yet billed; and
  - (ii) as a guarantee against non-payment of accounts, as stipulated in the policy on credit control.
- (b) As a part of the assessment of risks involved in the supply of services to consumers, the Council must decide whether the risks are sufficiently covered or whether deposits should be held in respect of a service by a consumer as well as the amount of such a deposit.
- (c) The risk of the provision of a service to each consumer must be assessed and a deposit should be calculated, taking into account, the consumption patterns of a specific consumer or property. Although this effectively reduces risk, the administration of such individual assessments in a high customer turnover environment may not be a practical and economically viable option. It must be further noted that, although the risk of service delivery is minimised if deposits are held, it soon becomes insufficient as the cost of service delivery increases and the deposit remains at the same level. It is very unpopular to increase deposits regularly and deposits of current consumers are only adjusted on default.
- (d) As an alternative deposits may be standardised for different services, consumers or locations. Although this method simplifies the administration of deposits, it does not cater for individual needs and may not necessarily provide sufficient coverage of the risks involved.

In practice it is found that a combination of the two methods provides a suitable solution to the problem.

- Standardised deposits are applied in respect of services for which the risks can be calculated, especially if such risks are not influenced by personal consumption variances.

- Minimum levels of deposit are calculated in respect of the average exposure per group of consumers within a service, i.e. domestic. Should it be necessary to adjust such a deposit to a higher level due to higher consumption patterns or other risks, it is done at the discretion of the official, following clear guidelines in this respect.
- Adjustment of deposits resulting from non-payment of account is described in the policy on credit control.

Due to the tendency of liquidators to immediately seize any bank guarantees issued by insolvent estates or business entities, the Council decided not to accept bank guarantees as a guarantee for service delivery.

- (e) When a tenant defaults on payment of a deposit or for services, the owner stays liable.
- (f) **Where changes are made on existing installations or services the deposit must be adjusted to the required deposit at the time of change**
- (g) **No deposit will be refunded except where the account has been finalised and the final debits were raised**

Limiting of financial risk pertaining to new tariff options

- (10) (a) In the course of the budgetary process tariffs are calculated at levels that will produce the income required to cover costs for a financial year or to reach the required surplus. Any changes in tariff structures and the level of tariffs during the course of a financial year, will impact on income. The amendment of tariff structures during a financial year should therefore take into account the effect thereof on the budget.
- (b) In order to regulate such amendments and to prevent a drastic impact on the budget, the following rules must be applied:
  - (i) The Council must consider and approve/not approve all requests for amendments.
  - (ii) Request for amendments must be accompanied by detailed calculations and estimates of the impact thereof on the budget. Such calculations should furthermore take into account all the relevant factors and be backed by data and projections over reasonable period. Such impacts must be



verified by the department of the Manager: Financial Services

- (iii) The Council may approve only amendments that can be accommodated in such a way that it will not have a detrimental effect on the operating budget.
- (iv) Any amendment to tariff structures, in respect of trading and economic services, that may impose a drastic impact on the present budget may only be considered for the next financial year and should form part of a new budgetary process.

#### Zoning and Usage for Rates Purposes

- (11) Where the zoning and consent use on a property differs, the tariff as determined for the consent use will apply

e.g.

- if any property is used as a business, the business tariff will apply

- if any property is used as an accommodation establishment the accommodation establishment tariff will apply.

- if an agricultural property is used or partly used for business or as an accommodation establishment the property or portion will be levied on the applicable tariff as accepted by Council.

**[The following rates tariff structure will apply for the 2010/2011 financial year**

<b>TARIFF TYPE</b>		<b>STRUCTURE</b>
<b>Residential</b>	<b>% of Ind./Comm.</b>	<b>46.2 %</b>
<b>Agricultural</b>	<b>% of Residential</b>	<b>25 %</b>
<b>Vleesbaai</b>	<b>% of Residential</b>	<b>30 %</b>
<b>Industry/Commercial</b>	<b>BASIS TARIFF</b>	<b>100 %</b>
<b>Accommodation</b>	<b>% of Ind./Comm.</b>	<b>70 %</b>
<b>Agricultural used as business</b>	<b>% of Ind./Comm.</b>	<b>70 %</b>
<b>Public service Infrastructure</b>	<b>% of Residential</b>	<b>25 %</b>
<b>Public benefit Infrastructure</b>	<b>% of Residential</b>	<b>25 %</b>

The following rates tariff structure will apply as from the 2011/2012 financial year.

TARIFF TYPE		STRUCTURE
Residential	% of Ind./Comm.	50%
Agricultural	% of Residential	25%
Vleesbaai	% of Residential	30%
Industry/Commercial	BASIS TARIFF	100%
Accommodation	% of Ind./Comm.	70%
Agricultural used as business	% of Ind./Comm.	70%
Public service Infrastructure	% of Residential	25%
Public benefit Organisation	% of Residential	25%

#### Responsibility for payment of accounts

- (12) (a) The owner will be liable for payment of rates and sewerage fees. The occupier will be liable for the water, electricity and refuse removal services in all circumstances.
- (b) If an occupier did not pay a deposit, the owner stays responsible for all debits raised against the account.
- (c) If a occupier does not pay the account, the owner stays responsible for the account.
- (d) **Any disputes between owners or an owner and tenant must be resolved by them, employees of the Municipality may not get involved.**

#### *Tariffs for trading economical and other services*

- (13) (a) Electricity and water supply are treated as trading services, operated as separate accounts with the aim of producing a profit to be utilised as a subsidy for other services.
- (b) The supply of and tariff structures for these services are influenced by local conditions as well as national guidelines and prescriptions by the National Electricity Regulator (NER) and the Water Services Act.
- (c) Sewerage and refuse removal are treated as economical services. Tariffs structures are only influenced by local conditions, but the cost of these services are influenced by regional and national regulations as well as minimum standards that must be conformed to.

- (d) Cost related to the provision of services can be grouped into two basic elements, i.e.
  - (i) Fixed costs can be regarded as basic cost and is used as a basis to calculate availability fees in respect of such a service, if applicable. These cost elements are not directly influenced by variances in demand for a service.
  - (ii) Variable production costs, which consists of the direct production cost elements. Increases or decreases in production costs can directly be attributed to variances in demand for a service. These costs are treated as consumption costs of such services.

### ***Electricity Tariffs***

- (14) (a) In addition to general cost factors, the following will be considered in the determination of a tariff structure for electricity:
  - (i) Bulk electricity is supplied by a sole supplier, Eskom, and distributed by the Municipality via an electricity reticulation system consisting of substations, mini substations, underground and overhead distribution lines and metered connections to consumers.
  - (ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
  - (iii) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- (b) Electricity is supplied under a distribution license, granted by the National Electricity Regulator (NER) for a specific area of jurisdiction, which also regulates the following aspects:
  - (i) classification of consumer categories
  - (ii) permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity.
  - (iii) All tariff structures and tariffs must be approved by the NER prior to application thereof by a distributor

- (c) The following tariff structure options are available:
- (i) one-part tariff  

This tariff consists of a tariff expressed as a cent per kWh charge only and does not contain a fixed monthly charge (basic or minimum charge)
  - (ii) two-part tariff  

This tariff is also applicable to residential application and contains a fixed or basic fee, combined with an energy fee.
  - (iii) Two-part demand tariff  

a demand meter is installed to determine the demand factor. It is applicable for larger commercial, industrial and agricultural customers.
  - (iv) three-part tariff  

a demand meter is installed to determine the demand factor. It is applicable for larger commercial, industrial and agricultural customers.
  - (v) three-part time-of-use tariff (TOU tariff)  

This tariff is applicable for larger commercial, industrial and agricultural customers who are able to shift load into off-peak periods, thus effecting savings both to themselves and the distributor.
- (d) The three-part TOU tariff structure closely resembles the tariff structure utilised by Eskom to supply bulk electricity to the Municipality and is therefore the most cost reflective structure. Due to the capital outlay required it can, however, only be utilised in the case of large power users. To gain maximum benefits from this relatively complex tariff structure the end-user must have a certain level of expertise and it requires a substantial capital investment.
- (e) In contrast to this, the one-part single energy rate tariff structure is a very simple tariff structure that can be understood by any end-user and offers the best platform for energy savings by the average user. It is, however, the least cost reflective structure and requires

expertise by the distributor to ensure that all costs are recouped via such a tariff structure.

Although a rising block tariff structure is not supported by NER, a declining block scale tariff structure may be applied. This promotes increased consumption by end-users.

Any block tariff structure is sensitive to consumption over a specified period. It is therefore essential that meters be read regularly at intervals as near as possible to 30 days as longer or shorter consumption periods may affect the monthly consumption volumes in specific tariff blocks.

### **Domestic Supply**

- (1) (a) A two-part tariff structure for **single phase meters with up to 60ampere**, is applied in respect of credit meters as well as prepaid meters. All households with a pre-paid meter and using less than 400 kWh (based on the average purchases of the previous four months) will automatically be placed on the two part tariff except in the following cases:
- Indigent of poverty-stricken consumers
  - Consumers identified as permanent inhabitants for at least nine month of a year. To be identified as such, a consumer has to hand in a sworn affidavit signed by a Commissioner of Oath.
- (b) A one-part tariff – All household consumers with **single phase** pre-paid meters who uses more than 400 kWh electricity per month and who permanently occupies the property for at least nine month of a year
- (c) A one-part Indigent Tariff - for permanent residents who qualify for an indigent subsidy.
- (d) A certain amount of electricity is distributed free of charge every month. This is decided on by council during the budgetary process.
- (e) **A two-part domestic tariff structure for three phase meters, is applied in respect of credit meters as well as prepaid meters.**

### **Commercial Supply**

- (2) (a) A two-part tariff structure is applied in respect of single phase credit **and prepaid** meters

- (b) **[A one-part tariff is charged to single phase pre-paid meters]**
- (c) A two-part tariff structure is applied in respect of three phase credit **and prepaid** meters
- (d) **[A one-part tariff is charged to three phase pre-paid meters]**

#### Light Industrial/Bulk Supply

- (3) (a) A three-part tariff structure is applied in respect of light industrial meters
- (b) A three-part tariff structure is applied in respect of bulk supply meters
- (c) A three-part time-of-use tariff structure is applied in respect of special bulk supply meters

#### Other Supply

- (4) (a) A three-part tariff structure is applied in respect of Moss gas (Klipheuwel)
- (b) A two-part demand tariff structure is applied for agricultural supply
- (c) A one-part tariff is charged to agricultural water pumping
- (d) A one-part tariff is charged to street lighting where electricity supply is metered
- (e) A one-part fixed tariff is charged to private street lighting
- (f) A one-part tariff is charged to sport fields

#### Miscellaneous

- (5) (a) An availability fee will be charged on properties not connected to the electricity network, should it be available to that property. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.
- (b) A fixed tariff is charged for:

- electricity connections
  - re-connections
  - special readings
  - testing of meters
  - replacing of breakers
  - installing of pre-paid meters
  - erecting of street lights
  - damage to, or tampering with meters
  - moving of meter
- (c) In the event of a business or accommodation establishment being conducted from a residential property electricity will be levied on the tariff for “business”
- (d) For each additional residential or business unit on a property or when a second electricity meter is installed, although there is only one water meter, a basic fee for water as well as refuse removal, will be payable for each unit.
- (e) The developer or registered owner is at all times responsible for payment of services on a property.

#### General

- (6) (a) Tariffs as well as the minimum levels of deposits will be revised annually during the budgetary process.
- (b) The minimum levels for deposits may be increased for individual consumers at the discretion of Chief Financial Officer, should consumption levels or other risks necessitate it.

#### ***Water Tariffs***

- (15) (1) Water is supplied to end-users by means of the following specialised infrastructure:
- (i) retaining and storage dams;
  - (ii) supply lines;
  - (iii) water purification plants;

- (iv) water reticulation networks; and
- (v) metered connections to the properties of consumers.

The variable cost of supply is, however, sensitive to prices of essential materials such as chlorine, which is used in the purification processes. Apart from normal price increases, the price is also influenced by exchange rates.

The supply of water is regulated by the Water Services Act 1997, Act 108 of 1997, but without a centralised regulatory body such as the NER. Certain minimum standards as well as guidelines for tariffs are contained in the Act.

Many aspects pertaining to water supply is influenced by the same factors as that of electricity supply. Due to this, only those factors unique to water supply and the accompanying tariff structure are discussed.

Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. For this reason a declining block tariff structure is not an option.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason it is found that water tariff structures for end-users follow the same trend. In order to cut consumption, an inclining block rate tariff structure with a basic fee is applied in Mossel Bay.

The first block rate represents the lifeline volume of 6 kl per month, which is supplied at no cost to households. Losses incurred in this tariff category are recouped by contributions from the higher tariff categories, conforming to the principle of cross-subsidisation. Council however reserves the right to decrease or discontinue the free 6kl per month in the case of a drought.

#### Categories of consumers

- (2) Provisions are made for the following categories of users:
  - a. Consumers with connections up to 25mm
    - 1. Single residential, Flats, Other Residential, Complexes with businesses and residential combined. (up to four consumers with one joint meter)



2. Businesses with up to four consumers and with one joint meter.
3. Flats, other residential and business complexes with more than four units and with one joint meter

b. Consumers with connections bigger than 25mm

1. Medium connections with up to nine consumers and with one joint meter using less than 1000kl per month
2. Medium connections with more than nine consumers and with one joint meter using less than 1000kl per month.
3. Bulk consumers (consuming more than 1000kl **per month**, for two months over a period of twelve months)
4. Special agreements

Leakages

- (3) (a) A consumer may qualify for a percentage reduction as determined by Council on his/her account in the event of a water leakage, if:
  - (i) The leakage was underground and not easily detectable;
  - (ii) The leakage was repaired within 48 hours after detection;
  - (iii) That the consumer submits a sworn affidavit by him/herself confirming that his/her insurance(s) does not cover such losses.
  - (iv) A written confirmation from the consumer's insurance also be submitted together with the sworn affidavit in which they confirm that the insurance policy of the consumer indeed does not cover any losses due to leakages.
  - (v) The consumer has not applied for discount within the previous 12 months;
- (b) A authentic certificate must reach the municipality within 10 days after completion of repairs done and must contain the following:
  - (i) The date of the invoice and repair work as well as the receipt

- (ii) Confirmation that surface leakage was not visible
- (iii) Certify that the leakage originated from pipes listed on the schedule of approved pipes held by the City Engineer
- (iv) That when the **Accounting Officer** [**Municipal Manager**] declares that the dam volume has dropped to below 25% no water charges in respect of water losses because of leakages will be written off.
- (v) **That an Objection Committee for surcharges on water losses be established as determined by Council.**

Water restrictions in the case of a drought

- (4) A Surcharges on tariffs in respect of domestic consumers with connections up to 25mm will be levied. The surcharge is based on normal water tariffs for consumption of municipal water of more than 20 kiloliters per month and will be based on the dam level of the Wolwedans dam.

The surcharge will be levied as follows:

Level of Wolwedans Dam between 40% and 60% - surcharge of 50%  
 Level of Wolwedans Dam between 25% and 40% - surcharge of 100%  
 Level of Wolwedans Dam less than 25% - surcharge of 200%

Miscellaneous

- (5) (a) An availability fee will be charged on users and/or properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.
- (b) A certain quantity of water may be distributed free of charge every month. This is decided on by council during the budgetary process.
- (c) A fixed tariff is charged for:
  - (i) water connections
  - (ii) upgrading of water meters to a larger connection

- (iii) special readings
  - (iv) testing of meters
  - (v) installation of taps after the meter
  - (vi) moving of meters
  - (vii) opening of meters inaccessible for reading
  - (viii) damage to, or tampering with meters
  - (ix) **buying water at the Fire Brigade**
- (d) Properties with more than one consumer and where a bulk meter is installed will pay.
- (i) A basic charge according to the size of the connection and/or consumption.
  - (ii) Metered consumption according to the consumers tariff, linked with the size of the connection and/or consumption (if more than 1000 kl consumed for a 2 month period per year).
- (e) Flats and other complexes with more than one consumer and with one joint meter will pay:
- (i) The basic per consumer according to domestic tariff
  - (ii) Metered consumption according to the consumers tariff, linked with the size of the connection and/or consumption
- (f) Water delivery in rural areas,:
- (i) A fixed predetermined amount will be charged to cover the transport cost.
  - (ii) In the case of registered indigent consumers the cost will be recovered from the applicable grant.
  - (iii) Only 6kl water per household will be delivered per month.
  - (iv) Delivery per area will only be made according to a fixed schedule.

## General

- (6) (a) Tariffs as well as the minimum levels of deposits will be revised annually during the budgetary process.
- (b) The minimum levels for deposits may be increased for individual consumers at the discretion of Chief Financial Officer, should consumption levels or other risks necessitate it.
- (c) It is the consumer's responsibility to ensure that the meter is readable and accessible for meter readers.

## ***Refuse removal tariff structures***

- (16) (1) The factors and principles that impact on tariff structures are:
  - (i) Operating cost of vehicles;
  - (ii) The cost of labour, fuel and maintenance of vehicles. This is a labour intensive service and changes in any of these cost elements may have a drastic influence on the total cost;
  - (iii) National and regional standards in respect of dump sites and transfer stations must be adhered to and may necessitate additional expenditure;
- (2) In general refuse volumes are influenced by the following factors:
  - (i) the number of occupants on a property;
  - (ii) garden refuse that is produced;
  - (iii) the nature and volumes of business and industrial refuse; and
  - (iv) habits of consumers and facilities available to them.
- (3) Each consumer pays for the privilege to have a certain volume of refuse removed from his/her premises. Should certain consumers have a need for increased volumes, they must bear the additional cost themselves. This principle has the result that a more affordable service is supplied to the average consumer, while large consumers pay for their additional volumes.

- (4) A consumer who chooses to do his/her own refuse removal will still be liable for paying the refuse tariff, as the service is available to all consumers.
- (5) Tariffs are based on units of refuse removal. One unit is defined as one bag of refuse removed once a week.
- (6) For each additional residential unit, an additional domestic refuse removal tariff will be levied.
- (7) Refuse removal at accommodation establishments will be levied at an amount calculated on a minimum of three units.
- (8) In caravan parks or camping areas two stands, bungalows and/or chalets will be levied as one refuse removal unit.
- (9) A refuse fee will be charged **for each dwelling on a property**, to all occupiers/owners of improved properties once an electricity meter has been installed. A refuse levy will also be payable by the owner where a building/house is unoccupied.

#### Categories of consumers

- (1) Provisions is made for the following categories of consumers:

- (i) Domestic consumers
- (ii) Accommodation establishments
- (iii) Additional residential units
- (iv) Special Agreements
- (v) Caravan Parks.
- (vi) Removal on Request
- (vii) Businesses on Residential Properties
- (viii) Additional Removals
- (ix) Medium consumers
- (x) Bulk consumers

#### General

- (2)
  - (a) Tariffs as well as units to be removed from categories of consumers will be revised annually during the budgetary process.
  - (b) Only refuse in the prescribed black plastic bags should be removed.
  - (c) An additional service should be available upon special request for the removal of garden refuse. Spare capacity of vehicles and teams could be utilised for this purpose. Tariffs should be at such a level

that total cost is recovered. Consumers should be encouraged to do their own removals. Contractors should pay a dumping fee.

- (d) In the event of business being conducted from a residential property business tariff will be levied for refuse removal.
- (e) Refuse levy will be payable on properties used as storage or vacant properties.

### ***Sewerage tariff***

(17) (1) The following services are rendered in the Municipal area:

- (i) An internal water borne sewerage system consisting of reticulation network and sewerage works;
- (ii) **[A limited number of properties are serviced by a bucket removal system.]**
- (iii) A small number of properties are serviced by a septic tank service.

(2) A fixed rate structure is applicable, which only differentiate between groups of properties:

- (i) Single residential
- (ii) Sectional title units
- (iii) Additional residential units
- (iv) Accommodation Establishments
- (v) Business and other properties
- (vi) Chalets and caravan parks
- (vii) Granny Flats
- (viii) Special agreements
- (ix) Availability charges on vacant properties
- (x) Churches
- (xi) Bucket Removal systems

## Miscellaneous

16. (1) (a) An availability fee will be charged on vacant properties not connected to the sewage system should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.
- (b) Accommodation establishments will be levied according to the Accommodation establishment tariff.
- (c) A fixed tariff is charged for:
- (i) sewage connections
  - (ii) larger connection
  - (iii) inspections for blockages
  - (iv) opening of sewage blockages
  - (v) emptying of septic tanks
  - (vi) industrial effluent

## General

- (2) Tariffs will be revised annually during the budgetary process. Sewerage is levied annually and divided into twelve equal monthly instalments. On written request it can be paid annually by 30 September.
- (3) **Where rates sewerage and availability fees (on vacant erven) are paid on a monthly or annually basis, such payment must be made before the expiry date. Failing this, interest at the standard rate of prima +1 %, will be levied on the outstanding payment**

### ***Sundry service tariff structures***

17. (1) (a) A variety of sundry tariffs are applied to recoup costs of sundry services provided to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:
- (i) subsidised levels;
  - (ii) levels reflecting actual cost; or
  - (iii) levels producing profits.
- (b) The level, at which the Council sets a sundry service tariff, takes into account factors such as:
- (i) affordability;
  - (ii) socio-economic circumstances;
  - (iii) utilisation of amenities and resources;
  - (iv) national and regional agreements and provisions; and
  - (v) any other factors influencing such decisions.
- (c) These tariff structures and tariffs will be revised at least once a year, during the annual budgetary process.

### ***Conclusion***

18. (1) (a) Tariffs represent the charges levied by Council on consumers for the utilisation of services provided by the Municipality and rates on properties. Tariffs may be calculated in various ways, dependent upon the nature of the service being provided. Tariffs may be set in such a manner so as to recover the full cost of the service being provided or to recover a portion of those costs.
- (b) The same principles stipulated in this policy will unilaterally apply in Trading-, Economical-, Subsidised and Community Services.

### ***Adjustments of services***

19. Where incorrect debits were raised regarding services, the accounts under query will be rectified for the year, in which the error was found or reported, and two preceding years.



# **MOSSEL BAY MUNICIPALITY**



## **CUSTOMER CARE, INDIGENT, CREDIT CONTROL, DEBT COLLECTION AND TAMPERING POLICY**

## DOCUMENT AND VERSION CONTROL

**Version:** Revision 7

**Date:** March 2011

**Summary:** This document describes the Customer Care, Indigent, Credit Control, Debt Collection and Tampering Policy that will be applicable to the Mossel Bay Municipality, with effect from 01 July 2011

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Executive Mayor**

## I N D E X

1. DEFINITIONS
2. GENERAL OBJECTIVES
3. PRINCIPLES
4. DUTIES AND FUNCTIONS
5. PERFORMANCE EVALUATIONS
6. REPORTING
7. CUSTOMER CARE
8. INDIGENT POLICY
9. CREDIT CONTROL POLICY
10. DEBT COLLECTION POLICY
11. TAMPERING POLICY

**MOSSEL BAY MUNICIPALITY**  
**CUSTOMER CARE, INDIGENT, CREDIT CONTROL AND DEBT**  
**COLLECTION POLICY**

*Definitions*

1. For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

**“Accounting Officer” means the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).**

**“Act”** The Local Government Act: Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

**“Authorized Representative”** Person or instance legally appointed by the Council to act or to fulfil a duty on its behalf;

**“by-law”** means a by-law adopted by the Council,

**“Chief Financial Officer”** the person appointed by council to administer its finances regardless of the designation or title attached to the post;

**“consumer”** any occupier/tenant of a property to which the Municipality has agreed to supply services or already supplies services to, **or when the occupier is not the responsible person, [on failing such an occupier,]** then the owner of the property;

**“council”** the municipal council of the Municipality of Mossel Bay;

**“credit control and debt collection”** means the functions relating to the collection of any monies due and payable to the Municipality;

**“defaulter”** a consumer who owes money to the Municipality after the due date has expired;

**“equipment”** a building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;

**“households”** all matured persons older than 18 years that occupies a property within the jurisdiction of the Council regardless whether the person rents or owns the property;

**“indigent household”** a Household qualify as indigent on the following conditions:

- (i) Total monthly household income must not be more than twice (2x ) the monthly State old age pension and
- (ii) The average electricity consumption for the past four months must not exceed 300kwh per month and
- (iii) The average water consumption for the past four months must not exceed 15kl water per month.

**“interest”** a charge levied, with the same legal priority as service charges, on arrear amounts calculated at [a **standard rate equal to**] an interest rate which is one percent higher than the prime interest rate. [payable by council for bank overdrafts];

**“Municipality”** the institution that is responsible for the collection of funds and the provision of services to the consumers of Mossel Bay;

**“Municipal account”** shall include levies or charges in respect of the following services and taxes:

- (a) electricity consumption,
- (b) water consumption,
- (c) refuse removal,
- (d) sewerage services,
- (e) rates,
- (f) interest and/or surcharges, admin fees for debt collection [costs],
- (g) housing rentals and instalments,
- (h) miscellaneous and sundry charges.

[**“Municipal Manager”** the person appointed as Municipal Manager in terms of section 82 of the Local Government: Structures Act, 1998, (Act 117 of 1998) and include any person acting in that position or to whom authority was delegated;]

**“municipal services”** those services provided by the Municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;

**“occupier”** any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property,

**“owner”-**

- (a) the person in whose name the property is legally vested;
- (b) in the case where the person in whose name the property is vested, is insolvent or deceased, or is disqualified in terms of any legal action, the person who is responsible for administration or control of the property as curator, trustee, executor, administrator, legal manager, liquidator, usufructuary, servitude holder or any other legal representative;
- (c) in the case where the council are unable to establish the identity of such person, the person who are entitled to derive benefit from the property or any buildings thereon;
- (d) in the case of a lease agreement in excess of 30 years was entered into, then the lessee;
- (e) regarding:
  - (i) a portion of land allotted on a sectional title plan and which is registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986), without limiting it to the developer or managing body to the communal property;
  - (ii) a portion as defined in the Sectional Title Act, the person in whose name that portion is registered in terms of a “sectional title, including the legally appointed representative of such person;
- (f) any legal entity including but not limited to :
  - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust *inter vivos*, trust *mortis causa*, a closed corporation registered in terms of the Close Corporation Act, 1984 (Act 69 of 1984), and any voluntary organization;
  - (ii) any provincial or national government department, local authority;
  - (iii) any council or management body established in terms of any legal framework applicable to the Republic of South Africa; and

- (iv) any embassy or other foreign entity.
- (g) In respect of a property owned by a council and which has been disposed of, but which has not been transferred to the person to whom it has been disposed of, from the date of the disposition concerned, such person; and
- (h) In respect of a property owned by or under the control or management of a council while held under a lease or any express or tacit extension thereof or under any other contract or under servitude or right analogous thereto, the person so holding the immovable property.

**“poor households”** A household qualify as a poor household on the following conditions:

- (i) Total monthly household income must be more than twice (2x ) the monthly State old age pension and less than the amount determined by council
- (ii) The average electricity consumption for the past four months must not exceed 300kwh per month and
- (iii) The average water consumption for the past four months must not exceed 15kl water per month.

**“property”** any portion of land, of which the boundaries are determined, within the jurisdiction of the Municipality.

**"tamper"** means the unauthorized interference with a service rendered by the municipality, or to damage or make unauthorized changes to the equipment or property of the municipality used in connection with the provision or municipal services.

### ***General objectives***

- 2. (1) The objectives of this policy are to:-
  - (a) provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;
  - (b) ensure that all monies due and payable to the Municipality are collected and used to deliver services in the best interests of the community, residents and consumers and in a financially sustainable manner;

- (c) provide a framework for consumer care and indigent support;
- (d) describe credit control measures and sequence of events;
- (e) outline debt collection and credit control procedures and mechanisms; and
- (f) set realistic targets for credit control and debt collection.

### ***Principles***

3. (1) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for policy-making, while it is the responsibility of the **[Municipal Manager] Accounting Officer** to ensure the execution of these policies.
- (2) All consumers must complete an official application form, formally requesting the Municipality to connect them to service supply lines. The most important rights and obligations of the consumer and Municipality must be included in the service application form.
- (3) A copy of the application form, conditions of services and extracts of the relevant council's consumer care, credit control and debt collection policy and By-laws must be handed to every consumer on request at such fees as may be prescribed by Council.
- (4) Billing is to be accurate, timorous and understandable.
- (5) The consumer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- (6) The consumer is entitled to efficient, effective and reasonable responses to enquiries and appeals, and should suffer no disadvantage during the processing of such requests.
- (7) Enforcement of payment must be prompt, consistent and effective.
- (8) Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- (9) Incentives and disincentives may be used in collection procedures.
- (10) The collection process must be cost-effective.
- (11) Results will be regularly and efficiently reported and monitored.



- (12) Application forms will be used to, *inter alia*, categorise consumers according to credit risk and to determine relevant levels of services and deposits required.
- (13) Targets for performance in both consumer service and debt collection will be set and pursued and remedies implemented for non-performance.
- (14) Where practically possible the debt collection and consumer care policies would be handled independently of each other and the organizational structure will reflect the separate functions.
- (15) Consumers that meet council's indigent criteria must be identified and supported.

### ***Duties and functions***

#### **Duties and Functions of Council:**

- 4. (1) To approve a budget consistent with Council's Integrated Development Plan.
- (2) To impose rates and service charges to finance the budget.
- (3) To facilitate sufficient funds to give access to basic services for the poor.
- (4) To provide for a bad debt provision, in line with the payment record of consumers as reflected in the financial statements of the Municipality.
- (5) To set an improvement target for debt collection, in line with acceptable accounting ratios and resources available to the **[Municipal Manager.]  
Accounting Officer.**
- (6) To approve a reporting framework for customer care, credit control and debt collection.
- (7) To consider and approve By-laws to give effect to the Council's policy.
- (8) To revise the budget should Council's targets for consumer care, credit control and debt collection not be met.
- (9) To take disciplinary and/or legal action against councillors, officials and agents who do not execute council policies and By-laws, or act improperly in terms of such policies and By-laws.
- (10) To approve a list of attorneys that will act for Council in all legal matters relating to debt collection.

- (11) To delegate the required authorities to monitor and execute the customer care, credit control and debt collection policy and By-law to the Executive Mayor and [**Municipal Manager.**] **Accounting officer.**
- (12) To provide sufficient capacity in the Municipality's Financial Department for customer care, credit control and debt collection. Alternatively to appoint a Service Provider, or debt collection agent.
- (13) To assist the [**Municipal Manager**] **Accounting Officer** in the execution of his duties, if and when required.
- (14) To provide funds for the training of staff.

#### **Duties and functions of Councillors**

- (15) To hold regular ward meetings.
- (16) To adhere to and convey council policies to consumers and ratepayers.
- (17) To adhere to the Code of Conduct for Councillors.
- (18) To give inputs regarding indigent applications.

#### **Duties and functions of Executive Mayor**

- (19) To ensure that Council's budget, cash flow and targets for debt collection are met and executed in terms of the policy and relevant By-laws.
- (20) To monitor the performance of the [**Municipal Manager**] **Accounting Officer** in implementing the policy and By-laws.
- (21) To review and evaluate the policy and By-laws in order to improve the efficiency of Council's customer care, credit control and debt collection procedures, mechanisms and processes.
- (22) To report to Council.

#### **Duties and functions of the [**Municipal Manager**] **Accounting Officer****

- (23) To implement good customer care management systems.
- (24) To implement council's customer care, credit control and debt collection policy.
- (25) To install and maintain appropriate accounting and credit control systems.

- (26) To bill consumers.
- (27) To demand payment on due dates.
- (28) To raise interest and collection fees for payment defaults.
- (29) To appropriate payments received.
- (30) To collect outstanding debt.
- (31) To provide different payment methods.
- (32) To determine customer care, credit control and debt collection measures.
- (33) To determine all relevant work procedures for, inter alia, public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- (34) To instruct agents and attorneys to proceed with legal processes.
- (35) To set performance targets for staff.
- (36) To appoint staff to execute council's policy and By-laws in accordance with council's appointment policy.
- (37) To delegate certain functions to heads of departments.
- (38) To determine control procedures.
- (39) To monitor contracts with Service Providers in connection with credit control and debt collection.
- (40) To report to the Executive Mayor.

**Duties and functions of communities, ratepayers and residents**

- (41) To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- (42) To pay service fees, rates on property and other taxes, levies and duties imposed by the Municipality on or before due date.
- (43) To obtain a duplicate account at the municipal help desk if an account is not delivered during the normal billing cycle.

- (44) To notify the Municipality in writing when services are not longer required at a particular service delivery point and of address changes.
- (45) To safeguard and maintain service meters in a readable condition.
- (46) To observe the mechanisms and processes of the Municipality in exercising their rights.
- (47) To allow municipal officials reasonable access to their property to execute municipal functions.
- (48) To comply with the By-laws and other legislation of the Municipality.
- (49) To refrain from tampering with municipal services and property.
- (50) To maintain credit and pre-payment electricity and water meters.
- (51) Not to move any meter without written permission from the Municipality

#### ***Performance evaluation***

- 5. (1) The municipal council in consultation with the **[municipal manager]** **Accounting Officer** must establish a mechanism to set targets for debt collection, customer care and administrative performance, evaluate performances and take corrective actions on a regular basis to enhance credit control and debt collection.

#### **Income Collection Targets**

- (2) Council to create targets that include:
  - (a) Reduction in present monthly increase in debt in line with performance agreements determined by council from time to time.

#### **Consumer Service Targets**

- (3) Council to create targets that would include:
  - (a) Response time to consumer queries.
  - (b) Date of first account delivery to new consumers.
  - (c) Reconnection time lapse.
  - (d) Meter reading cycle.

#### **Administrative Performance**

- (4) Council to create targets that will include:
  - (a) Cost efficiency of debt collection.
  - (b) Query and appeal periods.
  - (c) Enforcement mechanism ratios.

### ***Reporting***

- 6. (1) The Chief Financial Officer shall report monthly to the **[Municipal Manager] Accounting Officer** in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority in terms of section 99 of the Systems Act, read with section 100(c). This report shall contain particulars on:
  - (a) Performance against targets agreed to in item 5 of this policy document.
- (2) If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the **[Municipal Manager] Accounting Officer** who will, if he/she agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realizable income levels.
- (3) The Executive Mayor as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 99(c) of the Systems Act.

### ***Customer Care Policy***

- 7. (1) Objective

*To focus on the client's need in a responsible and pro-active way, to enhance the payment for services and to create a positive and cooperative relationship between the persons responsible for the payment for services received, and the Municipality, and where applicable, any service provider.*

### **Communication**

- (2) The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling and communicating its budget, which will include targets for credit control and debt collection.

- (3) Council's Customer Care, Indigent, Credit Control and Debt Collection Policy will be made available by general publication and on specific request, and will also be available for perusal at Council's offices.
- (4) Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.
- (5) Ward councillors will be required to hold regular ward meetings, at which Customer care and debt collection issues will be given prominence.
- (6) The press will be encouraged to give prominence to Council's Customer Care, Credit control and Debt Collection policies, and will be invited to Council or Committee meetings where these are discussed.

### **Metering**

- (7) The Municipality will endeavour, within practical and financial limits, to provide meters to every paying consumer for all services.
- (8) All meters will be read monthly, if at all possible. If the meter is not read monthly the council will estimate the consumption in terms of council's operational procedures;
- (9) Consumers are entitled to request verification of meter readings and accuracy within reason, but may be held liable for the cost thereof.
- (10) Consumers will be informed of meter replacement.
- (11) If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorized agent, and the consumer is charged for an estimated consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.
- (12) If an electricity meter cannot be read due to no access, the meter may be replaced with a pre-paid meter at the cost of the owner.
- (13) The occupier can give the readings through telephonically but at least every three months a true reading must be obtained by the meter reader.
- (14) If no reading on a water **[or electricity]** meter can be obtained for more than three consecutive months the meter may be moved at the cost of the owner/occupier

### **Accounts and billing**

- (15) Consumers on the billing system will receive an understandable and

accurate bill from the Municipality, which bill will consolidate all service costs for that property.

- (16) Accounts will be produced in accordance with the meter reading cycle and due dates will be linked to the statement date.
- (17) Accounts will be rendered monthly in cycles of approximately 30 days at the address last recorded with the Municipality or its authorized agent.
- (18) It is the consumer's responsibility to ensure that postal address and other contact details are correct.
- (19) It is the consumer's responsibility to make enquiries and ensure timely payments in the event of accounts not received.
- (20) Settlement or due dates will be as indicated on the statement.
- (21) Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.
- (22) Where any payment made to the Municipality or its authorized representative by negotiable instrument and it is later dishonoured by the bank, the Municipality or its authorized agent:
  - (a) May recover an admin fee as determined by Council relating to dishonoured negotiable instruments against the account of the consumer.
  - (b) Shall regard such an event as a default on payment.
  - (c) May insist on cash payments for all future accounts.
- (23) The Municipality or its authorized agent must, if administratively possible, issue a duplicate account or any acceptable alternative to a consumer on request, at a cost determined by Council from time to time.

#### **Payment facilities and methods**

- (24) The Municipality will operate and maintain suitable payment facilities, and which facilities will be accessible to all users.
- (25) The Municipality will, at its discretion allocate a payment between service debts and a consumer who has overdue debt, may not specify that the payment is for a specific portion of the account.

- (26) The Municipality may in terms of section 103 of the Systems Act, with the consent of a consumer, approach an employer to secure a debit or stop order arrangement.
- (27) The consumer will acknowledge, in the consumer agreements that the use of consumer agents in the transmission of payments to the Municipality is at the risk of the consumer – also for the transfer time of the payment.

#### **Incentives for prompt payment**

- (28) During the budget process Council may, to encourage prompt payment and/or to reward regular payers, consider from time to time incentives for the prompt payment of accounts or payment by debit or stop order.
- (29) The cost associated with the incentive scheme, if introduced, will be reflected in annual budgets as additional expenditure.

#### **Enquiries, appeals and service complaints**

- (30) Within its administration and financial ability the Municipality will establish:
  - (a) A central complaints/feedback office;
  - (b) A centralized complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with consumers;
  - (c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
  - (d) A communication mechanism to give council feedback on the application of the policies on customer care and management, credit control and debt collection and other issues of concern.
- (31) If a consumer is convinced that his or her account is inaccurate, he or she can lodge a query with the Municipality for investigation of this account, and where necessary the relevant alterations will be made.
- (32) In the interim the debtor must pay the average of the last three months accounts where such history of the account is available. Where no such history is available, the debtor must pay without prejudice of rights an estimate provided by the Municipality before payment due date until the matter is resolved.
- (33) The relevant department will investigate and inform the debtor within one month of the outcome of the investigation.



- (34) Failure to make such agreed interim payment or payments will result in the consumer forming part of the normal credit control procedures.
- (35) A consumer may appeal against the finding of the Municipality or its authorized agent in terms of 7(30).
- (36) An appeal in terms of 7(32) must be made and lodged with the Municipality within 21 (twenty-one) days after the consumer became aware of the finding and must:
  - (a) Set out the reasons for the appeal.
  - (b) Pay any security determined for the testing of a measuring device, if applicable.
- (37) After the appeal has been investigated by the Chief Financial Officer it must be submitted with comments to the Executive Mayor for a final ruling where after the consumer must be informed.

#### **Consumer assistance programmes**

##### **Water leakages**

- (38) If the leakage is on the consumer's side of the meter, the consumer will be responsible for the payment of all water supplied to the property.
- (40) The consumer has the responsibility to control and monitor his/her water consumption.

##### **Rate rebates**

- (41) Subject to certain criteria the municipal council may grant rate rebates annually to certain categories of ratepayers in accordance to the Municipality's rates policy and By-law.

##### **Arrangements for settlements**

- (42) If required consumers with arrears must convert to a prepayment meter, and when implemented the cost of the conversion and the arrears total, will be paid off either by-
  - (a) adding the debt to the arrears bill and repaying it over the agreed period; or
  - (b) adding the debt as a surcharge to the prepaid electricity cost, and repaying it with each purchase of electricity until the debt is liquidated.

- (c) Installation of pre-paid meter is free of charge if a person is indigent.
- (43) Council reserves the right to raise the deposit requirement of debtors who seek arrangements.
- (44) If an arrangement is not honoured the arrangement will be cancelled and no further agreement will be entered into.
- (45) All arrangements for settlements will be in accordance to the processes and guidelines approved by the **[Municipal Manager] Accounting Officer or Chief Financial Officer (CFO)** from time to time in pursuance of the credit control and debt collection targets set by council.

### **Consumer Categories**

- (46) Consumers will be categorized according to specific classifications based on *inter alia* the type of entity, applicable tariffs and risk levels. Processes for credit control, debt collection and consumer care may differ from category to category, as deemed appropriate from time to time by the **[Municipal Manager.] Accounting Officer.**

### **Priority Consumer Management**

- (47) Certain consumers **[will] may** be classified as priority consumers based on criteria determined by the **[Municipal Manager] Accounting Officer** from time to time, such as the number of properties owned or volume of consumption.
- (48) A Priority Consumer Liaison Officer or person nominated by the **[Municipal Manager] Accounting Officer** will be responsible for the ongoing management of the consumers so classified and will perform tasks such as the review of monthly accounts to ensure accuracy, the monitoring of prompt settlement of accounts and response to queries.

### ***Indigent Policy***

- 8 (1) **The objectives of this policy are to;-**
  - (a) determine the criteria for qualification of indigent and poor households;
  - (b) ensure that the criteria is applied correctly and fairly to all applicants;
  - (c) allow the Municipality or its authorised agent to conduct in loco visits to the premises of applicants to verify the actual status of the household;

- (d) allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

(2) **Principles of policy;-**

- (a) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for making of policy, while it is the responsibility of the [**Municipal Manager**] **Accounting Officer** to ensure the execution of this policy;
- (b) All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy;

(3) **Criteria for indigent or poor households:-**

To qualify for a subsidy, a household must comply with the following criteria:

- (a) The total household income for an indigent subsidy may not exceed the sum of two times the amount of state funded social pension and for a Poor household subsidy may not exceed the amount predetermined by Council;
- (b) The average monthly consumption of electricity by the household over the previous four months may not exceed 300kWh;
- (c) The average monthly consumption of water by the household over the previous four months may not exceed 15kl;
- (d) Must be a permanent occupier of the applicable property.
- (e) Must be a South African Citizen;
- (f) Must be the owner of only one property.

(4) **Application for Indigent or Poor household Subsidy;-**

The account holder must apply in person at a customer care office of the Municipality on the prescribed application form. The following items must accompany the application:

- (a) The latest municipal account of the household;
- (b) Proof of the account holders identity;

- (c) Proof of income of the total household;
- (d) Sworn statement.

**(5) Local audit (verification)**

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s)

**Subsidy**

- (6) Indigent subsidies will be funded from the equitable share contribution made from the national government's fiscus and as provided for in the municipal budget.
- (7) Subsidised services may include water, electricity, sewerage, refuse removal and assessment rates.
- (8) If a consumer's consumption or use of the municipal service is less than the subsidised service, the unused portion may not be accrued by the consumer and will not entitle the consumer to cash or a rebate in respect of the unused portion.
- (9) In order to assist the subsidised households, who uses more than the qualifying amount of water and electricity, not to lose their subsidy, these services will be restricted to allow only the use of maximum 15kl water and 300kWh electricity.
- (10) All consumes who qualify for a subsidy must agree to the installation of a prepaid electricity meter and will be placed on restricted service levels in order to limit further escalation of debt. Installation of a pre-paid meter is free of charge for indigent households.
- (11) When a household qualifies for a subsidy for the first time, the arrear account will be taken to council to consider writing of off the debt.
- (12) Where a qualifying consumer's account is paid in full at the date of application, or regularly maintains a paid up account after receiving the subsidy, the restriction on service levels will be waived. If the account is cleared due to the arrear debts being written off, the restriction on service levels can only be waived after a period of six months during which the account was paid in full every month and after a written request has been received.

- (13) Where the household qualifies for the subsidy but is not the owner or account holder of the property and the owner cannot be traced, a tenant account can be opened for the occupier without a deposit. If at any stage the situation of this person should change and he is de-registered, a deposit must be paid.
- (14) A subsidised consumer must immediately request deregistration by the Municipality or its authorized agent if his/her circumstances have changed to the extent that he/she no longer meet the criteria.
- (15) A subsidised consumer may at any time request deregistration.
- (16) A list of subsidised consumers will be maintained and audited on a regular basis and the info may be supplied to the general public.

#### **Water leakages and other problems at Indigent households**

- (17) Where water leakages occur at indigent households, such leakages can be repaired at Councils expense and the cost thereof recovered from the equitable share grant.

#### **Additional subsidy categories**

- (18) Subject to the extent of the equitable share contribution received and affordability levels council may provide, free of charge to consumers, certain basic levels of water and electricity.
- (19) Further rebates may be provided as determined from time to time in council's policies and By-laws.

#### ***Credit Control Policy***

- 9 (1) Specific objective

*To implement procedures that will restrict the unauthorized use of municipal services, escalation of debt and limit Municipality's risks.*

#### **Service application and agreements**

- (2) All consumers of services will be required to sign an agreement governing the supply and cost of municipal services. Owners (with their written consent) may allow tenants to sign separate agreements with the Municipality, which the Municipality may at its own discretion accept or reject.
- (3) All consumers shall pay a deposit as determined from time to time by Council and which may be increased by the **[Municipal Manager]** **Accounting Officer** when deemed necessary and in the event of non-payment.

- (4) Prior to signing these agreements, consumers will be entitled to receive the policy document of the Council on request at a cost determined by Council.
- (5) On the signing of the agreement, consumers can insist on a copy of the agreement for their records if required.
- (6) Consumers are responsible for administration cost and interest in the event of delayed and/or non-payment.
- (7) Existing consumers of services may be required to sign new agreements as determined by the [Municipal Manager] Accounting Officer from time to time.
- (8) If a consumer fails or refuses to sign a new service agreement or pay the deposit stipulated in subsection 8(3) the Municipality may discontinue services until the necessary agreement has been signed or deposit been paid.
- (9) The consumer will also be held accountable for services already provided, costs incurred and any other costs associated with the administration regarding collection of service fees and cost incurred.

#### Right of access to premises

- (10) The owner and or occupier of property is to allow an authorized representative of the Municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
- (11) The owner is responsible for all the cost associated with the relocation of a meter if satisfactory access is not possible.
- (12) If a person fail to comply with the provisions set out in 8(10) the Municipality or its authorized representative may:
  - (a) By written notice require such person to restore access at his/her own expense within a specified period.
  - (b) If it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

#### Enforcement Mechanisms

- (13) Interest can be raised as a charge on [all accounts] Rates, Sewerage and availability fees not paid by the due date.

- (14) Consumers who are in arrears with their municipal account and who have not made arrangements with the council will have their supply of electricity and water, and other municipal services, suspended, restricted or disconnected.
- (15) Council reserves the right to deny or restrict the sale of electricity or water to consumers who are in arrears with their rates or other municipal charges.
- (16) Upon the liquidation of arrears, or the conclusion of acceptable arrangements for term payment, the service will be reconnected as soon as conveniently possible.
- (17) The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the consumer.
- (18) If a person is indigent a pre-paid meter must be installed free of charge.
- (19) The deposit of any defaulter will be adjusted and brought into line with relevant policies of Council.
- (20) Where a property appears on the cut-off list for a second time during a twelve month period the credit meter may be replaced with a pre-paid meter and the cost be debited to the consumer account.

#### **Theft and fraud**

- (21) Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorized act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted.
- (22) The **[Municipal Manager]** **Accounting Officer** will immediately terminate the supply of services to a consumer should such conduct as outlined above, be detected.
- (23) The total bill owing, including interest, fines and administration fees, assessment of unauthorized consumption, discontinuation and reconnection fees, and increased deposits as determined by the **[Municipal Manager,]** **Accounting Officer**, if applicable, will be due and payable before any reconnection can be sanctioned.
- (24) The **[Municipal Manager]** **Accounting Officer** will maintain monitoring systems in order to identify consumers who are undertaking such illegal actions.

- (25) Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

#### **Consumer screening and securities**

- (26) All applicants for municipal services **[will] may** be checked for credit-worthiness including banking details and information from credit bureaus, other local authorities, trade creditors and employers.
- (27) Deposits will be required, and may vary according to the risk. A minimum deposit will be payable equal to twice the largest consumption used during the previous six months or the amount determined by Council from time to time, whichever is the largest.
- (28) At the discretion of the **[Municipal Manager] Accounting Officer** deposits can be increased to a maximum of three months average consumption when the account falls into arrears.
- (29) Deposits can vary according to the credit-worthiness or service or user category of the applicant.
- (30) The Municipality will not pay any interest on deposits.
- (31) **Only** on the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer.
- (32) No Bank guarantees will be accepted as a deposit.

#### **Persons and Business who tender to the Municipality**

- (33) The Procurement Policy and Tender Conditions of the Municipality will include the following:
- (a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.
- (b) No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during contract period.



- (c) A condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

### ***Debt Collection Policy***

#### **Objective**

- 10. (1) *To provide procedures and mechanisms to collect all the monies due and payable to Council arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community.*

#### **Personal contact**

- (2) Telephonic contact, agents calling on clients:
  - (a) Council will endeavour, within the constraints of affordability, to make personal, electronic or telephonic contact with certain arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigent subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies.
  - (b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

#### **Legal Process/Use of attorneys/Use of credit bureaus**

- (3) **[Municipal Manager] The Accounting Officer** may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, disconnections, restrictions, summonses, judgments, garnishee orders and as a last resort sales in execution of property.
- (4) **[Municipal Manager] The Accounting Officer** will exercise strict control over this process, to ensure accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by council.
- (5) Council will establish procedures and codes of conduct where external service providers have been appointed to collect outstanding debtors.
- (6) Garnishee orders, in the case of employed debtors, are preferred to sales in execution, but both are part of Council's system of debt collection procedures.

- (7) All steps in the consumer care and credit control procedure will be recorded for Council's records and for the information of the debtor.
- (8) Individual debtor accounts are protected and are not the subject of public information. However Council may release debtor information to credit bureaus.
- (9) Council may consider the cost effectiveness of the legal process, and will receive reports on relevant matters.
- (10) Council may consider the use of agents as service providers and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council
- (11) Appropriate measures will be taken to inform consumers what the responsibilities of service providers will be regarding customer care, credit control and debt collection.

#### **Rates clearance**

- (12) On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates and service charges in connections with a property are paid by withholding a rates clearance certificate.

#### **Administrative Cost in regard to collection**

- (13) All costs of legal processes, including, service discontinuation costs and costs associated with consumer care or credit control, where ever applicable, are for the account of the debtor.

#### **The Pre-payment meter System**

- (14) The Municipality will use its pre-payment system to-
  - (a) link the provision of electricity by the Municipality to a "pre-payment" system comprising, first, a pre-payment of electricity kWh and;
  - (b) raise and recover payments in respect of arrear municipal taxes and other municipal levies, tariffs and duties in respect of services such as water, refuse removal, sanitation and sewage .
  - (c) to enforce satisfactory arrangements with consumers in arrears by blocking access to prepayment meters.

## **Abandonment of Claims**

- (15) The **[Municipal Manager] Accounting Officer** must ensure that all avenues are utilized to collect the Municipality's debt from arrear debtors.
- (16) Circumstances whereby a municipal council may validate the termination of debt collection procedures as contemplated in section 109(2) of the Act are as follows:
- (a) The insolvency of the debtor, whose estate has insufficient funds.
  - (b) A balance being too small to recover, for economic reasons considering the cost of recovery.
  - (c) Where a consumer or groups of consumers are unable to pay for services rendered and have no assets.
  - (d) Inactive accounts where all the necessary steps have been taken with no success and/or the debtors cannot be traced and/or the debtor has no assets.
- (17) The **[municipal manager] Accounting Officer** must maintain audit trials in such an instance document the reasons for the abandonment of the actions or claims in respect of debts.
- (18) Criteria for the determination of the recoverability or irrecoverability of debt

All cases with the following classification "summons, judgment or execution" should be tested prior to the taking of action, with regard to the following:

- Asset's Survey. To undertake a home visit to make a survey of the type of house, its contents and other assets like vehicles registered in the name of the account holder as well as the combined income of the household. The result of this survey will determine whether further action is to be taken.
- Consumption. If a consumer has consumption of an average of more than 300 kWh of electricity plus 15kl of water taken over a period of 4 months, these consumption point to the ability of the person to pay or to make an arrangement.

If the survey however reveals that the debt is still not recoverable after all necessary steps has been taken, it should be tabled together with the "write off compliance report" for consideration by Council to write off the debts.

**(19) Deceased (Ref C/R F202-08/04)**

1. A death certificate of the deceased should be presented.
2. Proof from the Registrar of Estates should be obtained that the deceased estate is not liable for any claims.
3. Should the estate however be liable for claims, a claim should be laid against the said estate.
4. If a death certificate was obtained while no estate was registered, such debts should be written off with effect from the date of death.
5. Should the new owner be an indigent case, the total outstanding amount should be written off.
6. If the new person (owner) is however not classified as indigent, the client shall be obliged to settle the outstanding amount from the date of death up to the current date or to arrange for a settlement agreement.
7. Child headed families, where the parents are deceased and only unemployed minor children lives in the dwelling, the debt can be written off.

**(20) Clients in correctional care or clients who were imprisoned**

1. Obtain a letter from correctional services, which indicates the date of release.
2. If the client is not an indigent case/subsidy case, a settlement agreement should be reached.
3. If a lodger occupies the dwelling while the owner is imprisoned, such lodger should accept responsibility for levies.
4. If no lodger is occupying the dwelling the services should be terminated until the owner is released from prison.

**(21) Temporary suspension of actions for special reasons**

1. At all times, the approval of the Director: Financial Services or his delegate should be obtained to suspend temporary actions for special reasons.

**(22) Water on drip**

1. If a person is in arrears and his/her water is on drip, such person should negotiate a settlement agreement to redeem the debts.
2. The water restriction should not be restored unless the settlement agreement is settled in full.
3. When the settlement agreement is paid off, the water restriction can be restored.

**(23) Process regarding disabled persons or persons who are linked to a respirator or life supporting machine.**

1. That indigent and subsidy of people with heavy consumption not be cancelled.
2. That all collection actions can be suspended with the Municipal Managers consent.
3. A medical certificate to confirm the client's health condition should be obtained at regular intervals.

**(24) Where the inheritor of a property, with no, or an insolvent estate, qualifies for an indigent subsidy, the outstanding debt can be written off in order for clearance to be given and the property be transferred.**

**(25) Methods and places of payment:**

1. Cheques and Postal orders must be crossed and be made payable to Mossel Bay Municipality. Post-dated cheques will not be accepted unless prior arrangements have been made. Receipts will not be mailed for payment made by cheque. If a receipt is required the words "RECEIPT REQUIRED", must be written on the account.
2. Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a predetermined priority.
3. Payments can be made:
  - (i) at any of the Municipal Offices from Mondays to Fridays (public holidays excluded) 08:00 to 15:30 (Mossel Bay Office) and 08:00 to 15:00 (Great Brak River, Hartenbos, D'Almeida and Kwanonqaba offices);
  - (ii) at any of the Easy Pay **or Pay@** pay points, any Post Office and/or Postal Agency. Please note that at least 48 hours should be allowed for processing of all third party payments; However payments made at a third party will

be done at own risk. It also remains the responsibility of the person making the payment, to ensure that the receipt is correct.

- (iii) by direct Bank – and/or Electronic Payments to NEDBANK Using Mossel Bay Municipality as beneficiary . The Municipal account number must be used as the reference number;
- (iv) by way of an automatic debit order. These forms are available at any of the Municipal Offices.

**(26) Interest**

Where rates, **sewerage and availability fees (on vacant erven)** [and **taxes and annual service fees**] are paid on a monthly basis **or annually**, such payment must be made before the expiry date. Failing this, interest at the standard rate of prima +1%, will be levied on the outstanding payment.

**(27) Suspension of services**

The supply can be disconnected without any notice, if any amount is due after the expiry date. The deposit will be revised simultaneously and a surcharge, as determined by Council from time to time, will be added whether the supply had been physically disconnected or not.

**(28) Re-connection**

It will in all cases be attempted to reconnect the supply on the day of payment. If this is not possible, the supply will be reconnected on the following working day.

**(29) Termination of services**

When a premise is vacated, the consumer leaving such premises must give the Municipality 15 day prior written notice. Failing which will result in the consumer being held liable for costs levied until the date of the notice.

**(30) Accounts**

If no account has been received on the 10<sup>th</sup> on a month, a copy should be obtained from the Municipality. The account must at all times be produced when payments are done or enquiries are made.

**(31) Tenant Accounts**

Council will do everything possible to collect all municipal debt incurred by a tenant but if the debt cannot be collected the owner of the property will remain responsible.

(32) **Payments**

Payments will always be appropriated to the oldest account (notwithstanding the kind of service), where after it will be appropriated in order of a predetermined priority. Post-dated cheques are not acceptable unless prior arrangements have been made.

(33) **Pre-paid electricity:**

Where a pre-paid electricity meter is in use and any of the other services on the property is in arrears, only units to the value of a portion of the amount tendered will be issued, the rest of the amount will be allocated to the arrear account. (The percentage of the division will be as determined by Council from time to time).

***Tampering Policy***

**Objective**

11. (1) Section 97(1) (h) of the Act stipulates that a municipality's Credit Control and Debt Collection Policy must provide for matters relating to unauthorised consumption of services, theft and damages.
- (2) The objective of this Policy is to provide in this policy an extension of Credit Control and Debt Collection Policy for the matters referred to in that section.

**Implementing Authority:**

- (3) The [Municipal Manager] Accounting Officer must implement and enforce this policy and any by-laws enacted to give effect to this policy.

**Unauthorised use of property of the Council**

- (4) No one may tamper with any municipal equipment or property.
- (5) An authorised officer must inspect the equipment and property of the municipality when he or she suspects.
  - (a) that any illegal connections were attached to such equipment or property, or
  - (b) that any unauthorised consumption or use of services is taking place, or
  - (c) any theft of such equipment or property, or

- (d) any damage to such equipment or property.

### **Municipality's right of access to premises**

- (6) In terms of section 101 of the Act the occupier of premises in a municipality must give an authorised officer access at all reasonable hours to the premises in order to read, inspect, repair; any meter or service connection for reticulation, or to stop or restrict the provision of any service.

### **Power to restrict or terminate supply of services**

- (7) Where the municipality has suffered any loss or damage as a result of any act contemplated in paragraph 4 a penalty equal to the amount of damages or loss may be imposed on the occupier of the premises concerned.
- (8) The occupier must be notified of the amount of damage or loss by means of a notice which is hand delivered, or sent per mail, to the latest recorded address of the occupier, and such notice must also stipulate the date on or before which such amount must be paid to the municipality.
- (9) The Council may in addition to the steps contemplated in paragraph (2) limit or discontinue the supply of water and electricity in terms of the prescribed disconnection procedures or discontinue any other service to any premises.
- (10) The Council may hand deliver or send per mail to the latest recorded address of the consumer a discontinuation notice informing such consumer –
  - (a) that the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice, and
  - (b) of the steps which can be taken to have the service reconnected.
- (11) The council shall reconnect or restore full levels of supply of any of the restricted or discontinued municipal services only after the full amount of the penalty, including the costs of such disconnection and reconnection, if any, have been paid in full, or any other relevant condition or conditions of the Council's credit control policy as it may deem fit have been complied with.
- (12) The right of the Council or any duty appointed agent to limit or discontinue water to any premises or customer, shall be subject to the provisions of sections 3 and 4 of the Water Service Act 1997 (Act 108 of 1997).

### **Illegal reconnections and/or tampering**



- (13) The [**Municipal Manager** ] **Accounting Officer** shall, as soon as it comes to the notice of the [**Municipal Manger**] **Accounting Officer** that any terminated or restricted service has been irregularly reconnected or reinstated, instate one, some or all of the following enforcement actions;
- (a) disconnect or restrict such service(s),
  - (b) permanently remove such service(s),
  - (c) require pre payment technology to be installed,
  - (d) not reinstate such service(s) until the arrear account, including the interest raised on such amount, the charges for the notice sent in terms of paragraph 1 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit and penalty have been paid in full.
  - (e) laying criminal charges with the police,
  - (f) cancel the contract.
- (14) All indigent households shall be visited by a person or firm delegated by council on a regular basis to investigate tampering and illegal connection cases and or to inspect the status of meters connections and restrictions and/or flow limiters.

# **MOSSEL BAY MUNICIPALITY**



## **CASH MANAGEMENT AND INVESTMENT POLICY**

## DOCUMENT AND VERSION CONTROL

**Version:**                **Revision 6**

**Date:**                 **March 2011**

**Summary:**            This document describes Cash Management and Investments that will be applicable to the Mossel Bay Municipality, with effect from **01 July 2011**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Executive Mayor**

# Contents

1. INTRODUCTION
2. SCOPE OF THE POLICY
3. OBJECTIVES OF THE POLICY
4. DUE CARE
5. DELEGATION OF AUTHORITY
6. MANAGEMENT AND INTERNAL CONTROL PROCEDURES
7. CASH MANAGEMENT
  - 7.1 BANK ACCOUNT ADMINISTRATION
  - 7.2 RECEIPTING MANAGEMENT
  - 7.3 EXPENDITURE MANAGEMENT
  - 7.4 WITHDRAWALS
  - 7.5 DEBT MANAGEMENT
  - 7.6 CASH – FLOW BUDGET
  - 7.7 WORKING CAPITAL MANAGEMENT
  - 7.8 CASH PROCEDURES
8. INVESTMENTS
  - 8.1 INVESTMENT MANAGEMENT
  - 8.2 INVESTMENT ETHICS
  - 8.3 INVESTMENT OBJECTIVES
  - 8.4 TYPES OF INVESTMENT ACCOUNTS
  - 8.5 APPROVED INVESTMENTS
  - 8.6 QUALIFYING INSTITUTIONS
  - 8.7 INVESTMENT DIVERSIFICATION
  - 8.8 COMPETITIVE SELECTION OF BIDS OR OFFERS
  - 8.9 CALL AND FIXED DEPOSIT PROCEDURES
  - 8.10 COMMISSIONS OR COSTS
  - 8.11 PERFORMANCE
  - 8.12 FORBIDDEN ACTIVITIES
  - 8.13 REPORTING
9. REVIEW OF THE POLICY

# **CASH MANAGEMENT AND INVESTMENT POLICY FOR THE MOSSELBAY MUNICIPALITY**

## **1. INTRODUCTION**

- 1.1 In terms of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)” (The Act)”, the municipality must establish an appropriate and effective cash management and investment policy with the implementation date being 1 July 2004 – refer to Appendix “A”.
- 1.2 Further, the Minister of Finance urged all Municipalities, in Government Gazette 27431 of 1 April 2005, to prepare for implementing proposed new regulations immediately – refer to Appendix “B”.
- 1.3 Due to the delay in the promulgation of the regulations and the fact that the municipality must have an investment policy consistent with the abovementioned Act as well as the permission to implement the draft regulations, this policy, which complies with the requirements of the Act as well as the draft regulations, was prepared.
- 1.4 The Mossel Bay Municipal Council considered and approved the underlying policy as its “Cash Management and Investment Policy” to which all functionaries of the municipality and Municipal Entities involved in cash management and investments must comply.

## **2. SCOPE OF THE POLICY**

In order to ensure sound and sustainable management of the cash resources of the municipality this policy addresses all principles and processes involved in cash management and investments and includes:

- 2.1 The objectives of the policy;
- 2.2 Due care;
- 2.3 Delegation of authority;
- 2.4 Management and internal control procedures;
- 2.5 Cash Management;
- 2.6 Investments; and
- 2.7 Review of the policy.

## **3. OBJECTIVES OF THE POLICY**

The objectives of the policy are to -

- 3.1 Sketch the general framework within which the municipality should invest and managed funds;
- 3.2 Ensure compliance with all legislation governing the investment of funds;
- 3.3 Maintain adequate liquidity to meet cash flow needs;
- 3.4 Ensure diversification of permitted investments;
- 3.5 Ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality; and
- 3.6 Ensure transparency, accountability and appropriate lines of responsibility in the process.

## **4. DUE CARE**

- 4.1 Each functionary in the cash management and investment process must do so with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs and with his or her primary regard being to the probable safety of his or her own capital, in the second instance to his or her liquidity needs and lastly to the probable income derived.
- 4.2 Officials entrusted with investment and management of funds, have a responsibility and are accountable to the community to exercise due care when investing funds.
- 4.3 Speculation may not be undertaken in any of the processes.

## 5. DELEGATION OF AUTHORITY

- 5.1 The management of all the cash resources of the municipality is the responsibility of the Municipal Manager, as Accounting Officer, who must, for the proper application of this policy, develop an appropriate system of delegation that will both maximise administrative and operational efficiency and provide adequate checks and balances in the management of the cash resources.
- 5.2 The Chief Financial Officer, as designated in writing by the **[Municipal Manager,] Accounting Officer**, must advise the **A[Municipal Manager] Accounting Officer** on the exercise of the powers and duties with regards to this policy and must assist the **[Municipal Manager] Accounting Officer** in the administration of the cash resources, the bank accounts and the investment accounts. The Chief Financial Officer may not sub – delegate the duty to assist the **[Municipal Manager] Accounting Officer** in the administration of the municipality’s bank and investment accounts.
- 5.3 The delegation to withdraw money from the municipality’s bank or investment accounts may only be given to the Chief Financial Officer or any other senior financial officer as determined, in writing, by the **[Municipal Manager] Accounting Officer** and of which a copy, signed by the **[Municipal Manager,] Accounting Officer**, must be kept with the official set of delegations of the municipality.
- 5.4 The **[Municipal Manager] Accounting Officer** may not delegate any power or duty in the administration of the municipality’s cash resources to a political structure or councillor and no councillor is allowed to interfere or attempts to interfere in the management of the municipality’s cash resources.
- 5.5 Any delegation by the **[Municipal Manager] Accounting Officer** in terms of this policy:
- 5.5.1 Must be in writing;
  - 5.5.2 Is subject to any limitations and conditions as the **[Municipal Manager] Accounting Officer** may impose;
  - 5.5.3 May either be to a specific individual or to the holder of a specific post in the municipality and may not be to a committee of officials; and
  - 5.5.4 Does not divest the **[Municipal Manager] Accounting Officer** of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty.
- 5.6 The **[Municipal Manager] Accounting Officer** may confirm, vary or revoke any decisions taken in consequence of a delegation or sub – delegation in terms of this policy, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

- 5.7 For the application of this policy any referral to [**“Municipal Manager”**] **“Accounting Officer”** also means “Any other person acting under a delegated power or performs a function delegated by the [**Municipal Manager”**] **Accounting Officer”** in terms of paragraph 5 of this document.

## **6. MANAGEMENT AND INTERNAL CONTROL PROCEDURES**

- 6.1 The [**Municipal Manager,**] **Accounting Officer,** assisted by the Chief Financial Officer, must take all reasonable steps to ensure:
- 6.1.1 That the municipality’s available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework;
  - 6.1.2 That the municipality has and maintains a management, accounting and information system that accounts for all bank and investment accounts, receipting, withdrawals, cash management and investment transactions;
  - 6.1.3 That, in the case of investments, such investments are valued in accordance with [**GAMAP and ]** GRAP guidelines and standards; and
  - 6.1.4 That the municipality has and maintains a system of internal control over its bank and investment accounts, receipting, withdrawals, cash management and investment transactions.
- 6.2 The internal control procedures involve the Internal Audit Activity and the Auditor General reviewing and testing the systems of the Investment Department on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the investment and cash management portfolios.
- 6.3 Controls deemed most important include –
- 6.3.1 Control of collusion, separation of duties;
  - 6.3.2 Custodial safekeeping;
  - 6.3.3 Clear delegation of duties;
  - 6.3.4 Written confirmation of telephonic transactions;
  - 6.3.5 Minimising the number of authorised investment officials;
  - 6.3.6 Checking and verification by senior officials of all investment
  - 6.3.7 Documentation of transactions and strategies;
  - 6.3.8 Code of ethics and standards;
  - 6.3.9 Strict adherence to Investment Framework Policy and Guidelines;
  - 6.3.10 Limits placed on investments by the various officials;
  - 6.3.11 Procedures manuals;
  - 6.3.12 Electronic Funds Transfer limits and a detailed procedure manual for the system; and
  - 6.3.13 Regular reporting to Committee of all investments.



## **7. CASH MANAGEMENT**

### **7.1 BANK ACCOUNT ADMINISTRATION**

- 7.1.1 The **[Municipal Manager] Accounting Officer** or delegated nominee is responsible for the administration of the municipality's bank accounts including the opening of the bank accounts, the designation of the primary bank account and all banking and withdrawal procedures. The bank account may only be managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 3 of the Act as well as section 64 of the Act.
- 7.1.2 The **[Municipal Manager] Accounting Officer** may delegate the duties attached to the administration of the bank accounts as per paragraph 5 of this policy.
- 7.1.3 The Accounting Officer, **[ (MM)]**, in conjunction with the Chief Financial Officer (CFO) is responsible for the effective and efficient management of the council funding, namely-
  - 7.1.3.1 The municipality must open at least one bank account in the name of the municipality;
  - 7.1.3.2 The municipality may not open a bank account –
    - 7.1.3.2.1 abroad;
    - 7.1.3.2.2 with an institution not registered as a bank in terms of the Banks Act, 1990 (Act 94 of 1990); or
    - 7.1.3.2.3 otherwise in the name of the municipality.
  - 7.1.3.3 ensure that its funding always has sufficient money for appropriated expenditure and direct charges to meet the progressive cash flow requirements.
- 7.1.4 Bank account requirements, guidelines and regulations in terms of sections 7, 8, 9, 10 and 11 of the MFMA are adhered to.
- 7.1.5 Ensure that the Municipality accounts daily for the cash movements of all bank accounts in the financial records.
- 7.1.6 The **[Municipal Manager,] Accounting Officer**, in conjunction with the CFO are responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management for the treasury and budget offices.
- 7.1.7 Sound cash management would include -
  - 7.1.7.1 collecting revenue when it is due and banking it promptly;

- 7.1.7.2 making payments, including transfers, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the municipality's normal terms for account payments;
  - 7.1.7.3 avoiding prepayments for goods or services (i.e. payments in advance of the receipt of the goods or services), unless required by the contractual arrangements with the supplier;
  - 7.1.7.4 accepting discounts to effect early payment only when the payment has been included in the monthly cash flow estimates and is in accordance with the municipality's normal terms for account payments;
  - 7.1.7.5 pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the municipality are collected and banked promptly;
  - 7.1.7.6 accurately forecasting the municipality's cash flow requirements so that the National Treasury can optimise its central cash management responsibilities on behalf of the government;
  - 7.1.7.7 timing the in and outflow of cash;
  - 7.1.7.8 recognising the time value of money, i.e. economically, efficiently and effectively managing cash;
  - 7.1.7.9 taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under-utilised assets in terms of the asset management policy;
  - 7.1.7.10 performing bank reconciliation on a daily basis to detect any unauthorised entries;
  - 7.1.7.11 ensuring that dishonoured cheques are followed up immediately; and
  - 7.1.7.12 separation of duties to minimise the incidence of fraud.
- 7.1.8 Private money, private bank accounts and cashing private Cheques is prohibited.
  - 7.1.9 Delegated authority by the [**Accounting Officers**] **Directors** of departments must assign authority in writing to officials to approve warrant vouchers, cheques or electronic payments.
  - 7.1.10 Only authorised officials may sign cheques and must initial the counterfoils.
  - 7.1.11 All cheques must be crossed "NOT TRANSFERABLE" between parallel lines. The cancellation of crossings is not permitted.
  - 7.1.12 When an issued cheque is lost, stolen or damaged, an instruction to stop payment must immediately be issued to the responsible bank. Once confirmation has been received that the cheque was stopped, the transaction must be reversed and a new cheque issued and accounted for.
  - 7.1.13 Deposit all money received into the bank account(s) promptly and in accordance with the MFMA, Chapter 3.

- 7.1.14 Withdrawals from bank account(s) should be completed in terms of the MFMA, Section 11.
- 7.1.15 Designate and advise **National Treasury (NT)** in writing of details of the primary bank account, or any change in the primary bank account.
- 7.1.16 In cases where a municipality has more than one bank account, ensure that only the municipal manager or **Chief Financial Officer (CFO)** is delegated authority to withdraw funds from the primary bank account.
- 7.1.17 Check to ensure that all relief, charitable and trust accounts are set up in the name of the municipality and are administered by the[ **municipal manager.**] **Accounting Officer.**
- 7.1.18 Deposit all money received for relief, charitable and trust accounts into the correct account, and make withdrawals from those accounts only for the purposes for which the fund was established and where appropriately authorised by the municipal manager in terms of the MFMA.
- 7.1.19 Notify **National Treasury (NT)** of occasions when the bank account(s) of the municipality show an (consolidated) overdraft position for a period exceeding a prescribed period, and provide details of the amount, the reasons for the overdraft and the steps taken to correct the matter.
- 7.1.20 Table in council a consolidated report of withdrawals each quarter, and submit a copy of the consolidated report to the Provincial Treasury and Office of the Auditor General.
- 7.1.21 Submit to Provincial Treasury and the Office of the Auditor General written details of new bank accounts when opened, and all bank accounts each year.

## **7.2 RECEIPTING MANAGEMENT**

- 7.2.1 The [**Municipal Manager**] **Accounting Officer** is responsible for the administration of all receipting procedures and must take all reasonable steps to ensure receipting is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 64 of the Act.
- 7.2.2 The [**Municipal Manager**] **Accounting Officer** may delegate the duties attached to receipting as per paragraph 5 of this policy.

## **7.3 EXPENDITURE MANAGEMENT**

- 7.3.1 The [**Municipal Manager**] **Accounting Officer** is responsible for the administration of all expenditure procedures and must take all reasonable steps to ensure expenditure is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in

particular Section 65 of the Act, giving due consideration to Section 11 of the Act.

- 7.3.2 The **[Municipal Manager] Accounting Officer** may delegate the duties attached to expenditure as per paragraph 5 of this policy.

## **7.4 WITHDRAWALS**

- 7.4.1 The **[Municipal Manager] Accounting Officer** is responsible for the administration of all withdrawals procedures and must take all reasonable steps to ensure withdrawals are being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 11 of the Act.
- 7.4.2 The **[Municipal Manager] Accounting Officer** may delegate the duties attached to withdrawals as per paragraph 5 of this policy.

## **7.5 DEBT MANAGEMENT**

- 7.5.1 In order to ensure adequate cash – flow the municipality may incur short – or long-term debt, provided that the Council approves all debt agreements, the Mayor must sign the resolutions approving the debt agreements and the **[Municipal Manager] Accounting Officer** signed the debt agreements.
- 7.5.2 The municipality is, in terms of Section 46(5) of the Local Government: Municipal Finance Management Act, 2003, allowed refinancing its long – term debt for the purpose of saving on the cost of debt. The **[Municipal Manager] Accounting Officer** must, for this purpose, at least annually and as part of the budget process evaluate and report to the Council on the cost of existing debt and whether re-financing such debt will be beneficial to the municipality. As part of the evaluation the **[Municipal Manager] Accounting Officer** must determine the types of repayments and whether bullet payments at the end of the debt period and the reasonably determined nett cost thereof will not be more beneficial to the Council if the repayments are invested in sinking funds and the reasonable projected yield on the investments are being brought into account.
- 7.5.3 The **[Municipal Manager] Accounting Officer** is responsible for the administration of all debt procedures and must take all reasonable steps to ensure debt is being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 6 of the Act.

- 7.5.4 The **[Municipal Manager] Accounting Officer** may delegate the duties attached to debt management as per paragraph 5 of this policy.

## **7.6 CASH – FLOW BUDGET**

- 7.6.1 In order to ensure that the municipality has sufficient cash available to comply with the municipality's commitments to its lenders, creditors, statutory payments and any other commitments, it is necessary to annually compile and submit to Council, as part of the budget documentation, a cash-flow projection for the budget year by revenue-source, broken down per month.

## **7.7 WORKING CAPITAL MANAGEMENT**

- 7.7.1 The **[Municipal Manager] Accounting Officer** must take all reasonable steps to ensure that the municipality obtains maximum performance on its assets and for this purpose the working capital of the municipality must as far as possible be managed to the maximum benefit of the municipality.
- 7.7.2 An acceptable level for the Bad Debt Reserve is 2:1 or better and the **[Municipal Manager] Accounting Officer** must take all reasonable steps to ensure that the level is being maintained. In calculating the level, outstanding debtors for a period longer than 90 days as well as any unutilised conditional grants and allocations must be deducted from the current assets and liabilities and inventories must be brought into account at the lower of cost and nett realisable value. The exercise to provide for a sufficient level of working capital must be done as part of the budget process in order to budget accordingly. Inventory levels for own use, must be kept as low as possible, creditors must be paid within 30 days of date of receipt of invoice or statement, whichever is the latest or applicable but as late as possible but with due regards to possible discounts on offer and all steps, consistent with the Council's Credit Control and Debt Collection Policy, must be taken to recover moneys due to the municipality.
- 7.7.3 The **[Municipal Manager] Accounting Officer** must, as part of the monthly reporting to the Mayor within 10 working days of the end of each month, report on:
- 7.7.3.1.1 The combined nett balance of the bank and investment accounts of the municipality excluding any balances of unutilised conditional grants, trust moneys kept in accordance with trust deeds, Sinking Fund Investments made in accordance with any loan- or other agreements with investors/lenders, other conditional funds for which moneys were received in accordance with Section 12 of the Act, Debt

Guarantee Reserve Funds and other cash- backed funds for which spending authority must be obtained from other persons or spheres of government.

7.7.3.1.2 Whether all commitments and accounts had and can be paid on time from the nett balance above and nett realisable accounts receivable.

7.7.3.1.3 Whether there is a nett outflow of cash not in accordance with the cash-flow budget.

7.7.3.1.4 Whether all of the above might cause a financial problem on which the Mayor must act in accordance with the provisions of the Act.

7.7.4 The Mayor must, within 30 days of the end of each quarter, report to the municipal council on the above, and, in the case of identifying a financial problem, promptly inform the council and act in accordance with the provisions of the Act.

## **7.8 CASH PROCEDURES**

7.8.1 Payments received at the Municipal Cashiers, Traffic and Amenities / Resorts.

7.8.1.1 Internal Controls:

7.8.1.1.1 Segregation of duties (Cashier and Banker);

7.8.1.1.2 Rotation and switching of Cashiers, must be preceded by a cash up procedure (including the float on hand)

7.8.1.1.3 Cash float values should be recorded;

7.8.1.1.4 Cash floats should be periodically reviewed and should be sample checked on a daily basis;

7.8.1.1.5 Shortages and surpluses in cash should be recorded.

7.8.1.2 Issuing of Receipts:

7.8.1.2.1 All payments (including payments received in the mail) should be accompanied by a computer generated receipt.

7.8.1.2.2 Receipts numbers should be sequential and missing sequences should be accounted for.

7.8.1.2.3 Original receipts must be given to the customer.

7.8.1.2.4 A duplicate computer generated receipt should be printed for the audit and paper trail purposes.

7.8.1.2.5 The following should appear on a computer generated receipt –

7.8.1.2.5.1 Date on which the receipt was issued;

7.8.1.2.5.2 Amount for which the receipt was issued;

7.8.1.2.5.3 Cashier responsible for issuing the receipt;

- 7.8.1.2.5.4 Vote or Account to which the payment is to be credited;
- 7.8.1.2.5.5 Type of payment transaction (cash, cheque, debit order, etc.); and
- 7.8.1.2.5.6 Computer generated receipt number.

7.8.1.3 Cancellation of Receipts:

- 7.8.1.3.1 Receipts that are cancelled are to be clearly marked with cancelled written across the face of the receipt.
- 7.8.1.3.2 Cancelled receipts are to include the original receipt (attached to transaction report).
- 7.8.1.3.3 Reasons for the cancellation are to be marked on the cancellation summary and should include the signatures of the cashier and banker / senior cashier.
- 7.8.1.3.4 The transaction trail for the Cashier for the day should be reconciled to the number of cancelled receipts on hand.

7.8.1.4 Cash Balancing:

- 7.8.1.4.1 The deposit bags must be collected by no later than 10h00 on every business day. The Senior Cashier must report any problems experienced in this regard to the Accountant immediately.
- 7.8.1.4.2 Cash on hand should be counted and the cash float should be removed before balancing to the computer records for the receipts of the day, for a given cashier.
- 7.8.1.4.3 Cash received for the day is keyed into the computer system for each note and coin denomination and for cheques and postal orders.
- 7.8.1.4.4 Balancing of the cash on hand to the computer records must be performed by means of reconciliation before closing of offices everyday.
- 7.8.1.4.5 The Senior Cashier is responsible for ensuring that the records balance.
- 7.8.1.4.6 Shortages must be paid in within 24 hours by the Cashier and surpluses are immediately receipted into the cashier surplus vote.
- 7.8.1.4.7 The Senior Cashier amends the cash received on the computer printout and the correct totals are banked.
- 7.8.1.4.8 Cashiers bank deposit is checked by the Senior Cashier and placed in the deposit bag; the deposit bag is sealed under supervision of the Senior Cashier, before close of day.

- 7.8.1.4.9 Bank deposits are locked in the safe of the senior Cashier for collection by the security firm, the following day.
- 7.8.1.4.10 The Cashiers float is locked away in the other save.
- 7.8.1.4.11 Daily day end cash-up procedures must be completed before the Cashier and Senior Cashier may leave the municipal premises.  
The number on the deposit bag is recorded in the cash register
- 7.8.1.4.12 The Security firm responsible for lifting and banking the municipal takings records the bag number in their records and the Senior Cashier and the Security firm representative sign the documentation as receipt of the takings from the Municipality to the Security firm for banking purposes.
- 7.8.1.4.13 All the documentation of a cashier for each day, including daily summary sheet, cancelled receipts, signed cancellation form, canister deposit slips, stamped bank deposit slip, etc. must be kept together in a file for audit purposes. This file may only be taken out of the Senior Cashiers office after signing a register with the necessary motivation.
- 7.8.1.4.14 All Cashiers takings must be entered into a cash register daily and the Senior Cashier and Accountant must sign it. This register or copies of it must be used for reconciliation done by other departments.
- 7.8.1.4.15 As the cashier is responsible for the cash he/she must at all times ensure that the cash is his/her possession is safely locked away.
- 7.8.1.4.16 No person other than the cashier, Snr cashier or accountant is allowed in the cashier cubicle.
- 7.8.1.5 Deposit Books for Municipal Takings:
  - 7.8.1.5.1 The deposit book serves as an agreement between the municipality and the bank of the funds forwarded to the bank for deposit purposes, into the appropriately defined municipal banking account.
  - 7.8.1.5.2 Completion of deposit slips (in ink), by the Cashier, must be appropriate, comprehensive and accurate.
  - 7.8.1.5.3 The deposit book sheets are in triplicate –
    - 7.8.1.5.3.1 Original for the bank;
    - 7.8.1.5.3.2 Copy 1 for the Cashier; and
    - 7.8.1.5.3.3 Copy 2 fast copy (book).
  - 7.8.1.5.4 The original and copy of the deposit books are forwarded to the bank for stamping purposes.



- 7.8.1.5.5 On return from the bank the stamped deposit slips are reviewed by the Senior Cashier to follow-up on any discrepancies.
- 7.8.1.5.6 The stamped deposit slips are attached to each of the cashier's daily summary sheets.

## 7.8.2 Other Payment Methods

These relate to other payment mediums such as internet banking, direct deposits, ACB's, Post Office Transactions, Pick 'n Pay, Easi Pay, etc.

### 7.8.2.1 Direct Deposits:

- 7.8.2.1.1 These transactions are handled by the Senior Clerk: Finance.
- 7.8.2.1.2 A summary is prepared and the sundry transactions are captured into the receipting system by a Cashier.
- 7.8.2.1.3 Balancing between the Senior Clerk: Finance summary and the cashier transactions summary is completed.

### 7.8.2.2 **Third Party** (Easi Pay / Pick 'n Pay, **Pay@** and Post Office) Transactions:

- 7.8.2.2.1 All payments are handled by the Accountant by means of an internet download and transfer to the Promun System.
- 7.8.2.2.2 The Senior Clerk within the Financial Information Section transfers the payments received from [**Easi Pay**] **the third parties** to the Debtors System.
- 7.8.2.2.3 Balancing of the **third party** [**Easi Pay & Pay-a-bill**] transaction totals to the Bank totals received by the Accountant is completed by the Senior Clerk who completes the cashbook reconciliation.
- 7.8.2.2.4 Variances are followed up by the Senior Clerk – Financial Information Section.
- 7.8.2.2.5 The serial numbers of receipt transfers from the institutions must be checked on a daily basis by accountant to ensure that all receipts/deposits are transferred to the Municipality on a daily basis. These serial numbers must be recorded by the accountant and any discrepancies must be followed up on a daily basis by the accountant.

### 7.8.2.3 Cheque Deposit Box:

- 7.8.2.3.1 The Senior Clerk empties the cheque deposit box daily.
  - 7.8.2.3.2 A register of all cheques received are written up by the Senior Clerk.
  - 7.8.2.3.3 The register includes the following details –
    - 7.8.2.3.3.1 Client name
    - 7.8.2.3.3.2 Cheque number
    - 7.8.2.3.3.3 Amount
    - 7.8.2.3.3.4 Account holders name
    - 7.8.2.3.3.5 Date of cheque
    - 7.8.2.3.3.6 Date cheque was received
    - 7.8.2.3.3.7 Receipt number (completed by the cashier upon receiving the funding)
  - 7.8.2.3.4 Periodically and on a sample basis the cheque register is reviewed by the Accountant of the section to ensure accuracy and allocation was correct and to verify that the register is appropriately updated with the receipt number allocated to the transaction.
- 7.8.2.4 Mailed Cheques:
- 7.8.2.4.1 Similar to the process above the Records / Archiving section keep a register of all cheques received.
  - 7.8.2.4.2 Mail is opened by two persons and the register of cheques is written up.**
  - 7.8.2.4.3 The Records / Archiving Section deliver the register and cheques to the Income Section for receipting and capturing.
  - 7.8.2.4.4 The Cashier upon receipting records the receipt number in the register.
  - 7.8.2.4.5 The Banker / Senior Cashier and Accountant of the section review the register to ensure accuracy and allocation was correct and to verify that the register is appropriately updated with the receipt number allocated for the transaction.

#### **7.8.2.5 Legal Tender:**

**According to the South African Reserve Bank Act Number 90 of 1989 a Legal Tender refers to banknotes or coin that may be legally offered in payment of an obligation and that a creditor is obliged to accept.**

**Any amount in banknotes may be offered for payment. In the case of coin, the acceptable amount per individual transactions, is equal to the total amount, not exceeding the following:**

- fifty rand, where coin of the denomination of one rand or higher are so tendered;
- five rand, where coin of denominations of ten cents up to and including fifty cents are so tendered;
- fifty cents, where coin of the denomination of five cents or less are so tendered; and
- the value of each coin so tendered shall be equal to the amount specified on that coin.

## 8. INVESTMENTS

### 8.1 INVESTMENT MANAGEMENT

- 8.1.1 The **(Municipal Manager) Accounting Officer** is responsible for the administration of all investment procedures and must take all reasonable steps to ensure investments are being managed in accordance with any auditing requirements as well as any legal requirements including as prescribed in the Local Government: Municipal Finance Management Act, 2003 and in particular Section 13 of the Act.
- 8.1.2 The **(Municipal Manager) Accounting Officer** may delegate the duties attached to investments as per paragraph 5 of this policy.
- 8.1.3 In order to ensure that the **(Municipal Manager) Accounting Officer** or any person delegated in terms of paragraph 5 complies with this policy in terms of investments and to capacitate the municipality further, the **(Municipal Manager) Accounting Officer** may contract an Investment Manager who is a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act (Act No. 55 of 1989) and Stock Exchanges Control Act (Act No. 1 of 1985). The Investment Manager must advise the **(Municipal Manager) Accounting Officer** or delegated officials on investments and may manage investments on the municipality's behalf, subject to any conditions and controls the **(Municipal Manager) Accounting Officer** may determine, examples this investment and cash management policy.

### 8.2 INVESTMENT ETHICS

- 8.2.1 All functionaries in the investment management process must act with fidelity, honesty, integrity and in the best interest of the municipality and must

seek, within the spheres of influence of the functionaries, to prevent any prejudice to the investments of the municipality.

- 8.2.2 No functionaries in the investment management process may use their position or privileges of, or confidential information obtained as, functionary in the process for personal gain or to improperly benefit another person. Interest rates quoted by one institution should never be disclosed to another.
- 8.2.3 No person contracted by the municipality for the purpose of investments or no person submitting quotes, bids or any other means of competitive submissions may, either directly or through a representative or intermediary promise, offer or grant any reward, gift, sponsorships, loan, bursary, favour or hospitality to –
  - 8.2.3.1 any official, spouse or close family member of such official or spouse; and
  - 8.2.3.2 any councillor, spouse or close family member of such councillor or spouse.
- 8.2.4 The **(Municipal Manager) Accounting Officer** must promptly report to the Mayor and National Treasury any alleged contravention of the above and may make recommendations as to whether the alleged offending party should be listed on the National Treasury's database of persons prohibited from doing business with the public sector. Any such report by the **(Municipal Manager) Accounting Officer** must give full details of the alleged breach and a written response from the alleged offending party, as well as proof that the alleged offending party received the allegations in writing and were given at least 7 (seven) working days to respond, in writing, to the allegations.
- 8.2.5 Any sponsorship promised, offered or granted to the municipality must promptly be disclosed to the National Treasury.
- 8.2.6 Investments by a municipality or municipal entity, or by an investment manager on behalf of a municipality –
  - 8.2.6.1 Must be made with such judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that person's own affairs;
  - 8.2.6.2 May not be made for speculation but for investment; and
  - 8.2.6.3 Must in the first instance be made with primary regard being to the probable safety of the investment, the second instance to the liquidity needs of the municipality or entity and lastly to the probable income derived from the investment.

### 8.3 INVESTMENT OBJECTIVES

#### 8.3.1 Objective 1 – Security

The first and foremost objective for investments is the preservation and safety of the principal amount invested. It is a requirement that investments may only be made with institutions with a credit – worthy rating of **(A 1) F2 and (better) higher for short term investments (0 – 12 months) and A and higher for long term investments (more than 12 months)**. Any investments made must be liquidated if an institution’s credit– worthy rating falls below the level of **(A1) F2 for short term and A for long term.**

#### 8.3.2 Objective 2 - Liquidity

The cash – flow budget must be used as an instrument in determining liquidity needs. Other factors such as the payment runs for creditors, dates for salary and statutory payments and dates for debt repayments must also be brought into account to ensure cash requirements, and resultant investment periods, are being calculated to such an extent that maximum yield on surplus cash can be obtained.

#### 8.3.3 Objective 3 - Yield

It is necessary to ensure optimal yield on the municipality’s investments, but a higher yield should never increase the risk of preservation and safety of the principal amount invested or not meeting cash – flow requirements. Where an institution has a sudden increase above the average market increase in investment returns, the **(Municipal Manager) Accounting Officer** must determine whether the institution is in liquidity or financial problems, and in such an instance liquidate the investments with such an institution as soon as possible.

### 8.4 TYPES OF INVESTMENT ACCOUNTS

#### 8.4.1 The following cash – backed investment accounts should be established:

- 8.4.1.1 General surplus cash
- 8.4.1.2 Capital replacement reserve fund
- 8.4.1.3 Accumulated leave fund
- 8.4.1.4 Trust funds where a trust- deed exist
- 8.4.1.5 “Allocation “ funds as described in Section 1 of the Local Government: Municipal Finance Management Act, 2003, but excludes the equitable share
- 8.4.1.6 Sinking funds, if applicable
- 8.4.1.7 Debt guarantee reserve fund, if applicable
- 8.4.1.8 Post retirement benefits funds – current portion
- 8.4.1.9 Self – insurance reserve, if applicable
- 8.4.1.10 Housing development funds

- 8.4.2 Where a Trust Deed prescribes how the trust money is to be invested, the prescriptions in the Trust Deed will prevail over this policy.
- 8.4.3 It is a general principle, the higher the investment the better the yield, and for this purpose the **(Municipal Manager) Accounting Officer** should combine as much cash allocated to the above funds as possible, and invest it together. Yield should then be allocated according to the capital of the individual cash – backed funds, through the Statement of Financial Performance.

## 8.5 APPROVED INVESTMENTS

- 8.5.1 Investments should be structured according to the best yield available and the liquidity needs of the municipality. This can include Call Deposits, Fixed Term Deposits and Endowment Policies for the purpose of Sinking Funds only. Sinking funds must be created for the purpose of bullet – payment loans and to provide for future commitments such as building enough cash to be able to cover post – retirement benefits in full.

## 8.6 QUALIFYING INSTITUTIONS

- 8.6.1 It is of utmost importance that the investments only be placed with credit-worthy institutions with a credit – rating of **(F1) F2 and (better) higher** for short term (0 -12 months) credit ratings and **(AA) A and higher** for long term (more than 12 months) credit ratings - refer to Appendix “C”.
- 8.6.2 Fitch and or CA ratings to be obtained of all investment institutions before a financial institution may be considered for investing funds.
- 8.6.3 Ratings must be updated **(at least annually) regularly** or when there has been structural change in the market or at the particular institution.
- 8.6.4 The optimal combination of the most favourable rated institution and the institution offering the best returns for the investment sought, should be the determining factor when choosing the institution.
- 8.6.5 The following investments are permitted:
- 8.6.5.1 Securities issued by National Government
  - 8.6.5.2 Listed corporate bonds with an investment grade rating from a nationally or an internationally recognized credit rating agency
  - 8.6.5.3 Deposits with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
  - 8.6.5.4 Deposits with the Public Investment Commissioners as Contemplated by the Public Investment Commissioners Act, 1984 (Act 45 of 1984)
  - 8.6.5.5 Deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act. 1984 (Act 46 of 1984)

- 8.6.5.6 Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- 8.6.5.7 Guaranteed endowment policies with the intention of establishing a sinking fund
- 8.6.5.8 Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990)
- 8.6.5.9 Municipal Bonds issued by the municipality
- 8.6.5.10 Any other as might be approved by the Minister of Finance

## **8.7 INVESTMENT DIVERSIFICATION**

- 8.7.1 Without limiting the **(Municipal Manager) Accounting Officer** to any specific amount or percentage of investments, it is hereby established that investments made by the municipality should be diversified as much as possible between different institutions, maturity dates and types, but nothing prevents the **(Municipal Manager) Accounting Officer** from investing more cash with an institution than by another institution with due regards to the standard of care and objectives set in this policy. Not more than 50% of the total investments should be invested with one institution.
- 8.7.2 Having determined that funds are available for investment and the maximum period for which the funds may be invested, the **Chief Financial Officer** (CFO) (or his delegated nominee in the treasury and budget section) needs to consider the manner in which the investments are placed. As rates can vary according to the money market perception related to the term of the investment, there is merit in obtaining quotes for periods within the maximum determined.

## **8.8 COMPETITIVE SELECTION OF BIDS OR OFFERS**

- 8.8.1 In establishing where investments must be made, **(at least 3 (three) )**written quotations must be obtained by the **(Municipal Manager) Accounting Officer** from **(any of) all** the institutions listed in paragraph 8.6 above **and as approved by Council**. The **(Municipal Manager) Accounting Officer** may not divulge interest rates to other institutions during the quotation process. If Investments Managers use treasury desks for the purpose of obtaining quotations, the quotations, with a written reason why a specific institution was chosen if the yield is lower than that of another institution, must be forwarded to the **(Municipal Manager,) Accounting Officer**, who must evaluate the reasons and issue such instructions as deemed necessary.
- 8.8.2 Before placing funds externally, consideration must be given to whether the funds cannot be utilised at an equivalent rate to substitute external borrowing, as there is normally a margin between the rate at which local authorities can

borrow funds and the rate at which investments can be made over similar periods.

- 8.8.3 Where funds are held in current account, it is possible and good practice to negotiate deposits at more beneficial rates, e.g. call deposits.
- 8.8.4 These rates can normally be bettered by fixed terms investments. The overriding principle is that funds in the current account must be kept to the absolute minimum.

## **8.9 CALL AND FIXED DEPOSIT PROCEDURES**

- 8.9.1 Quotations should be invited from **(at least three) all approved** financial institutions for the term for which the investment is to be placed. In the event of one of the financial institutions offering a more beneficial rate for an alternative term, the institutions invited to quote should be approached for their rates on the alternative term.
- 8.9.2 It is acceptable to obtain telephonic quotations **that should be confirmed by fax**, as in most instances, rates can change quite regularly on a daily basis and time is of the essence when placing funds.
- 8.9.3 The person responsible for calling for quotations from institutions should not mention the name of the institution, the person who has given the telephonic quote, and the terms and interest applicable, e.g. whether interest is payable monthly or on maturity. Written confirmation of the quote accepted should be obtained.
- 8.9.4 Having obtained the necessary **(number of)** quotations, the decision needs to be made regarding the best terms offered and the institution with whom the investment is to be placed. With due regard to the investment principles, it is customary to accept the best offer made (but subject to the total amount already invested with such institution) and no further negotiations are to be entered into with any of the persons who have tendered their investment rates and terms in an effort to try and push up one against the other.
- 8.9.5 Having been invited to quote on a particular package, institutions should be advised that they must offer their best rate when they respond and that no further negotiation or discussion will be entered into.
- 8.9.6 The above procedure should be followed whether placing one's monies on a fixed investment or on a call basis.
- 8.9.7 As a standard practice investment are only made directly with the Banks and not through intermediaries.



- 8.9.8 Certain agents indicate that they can obtain quotations and act on the investors behalf with the various institutions, in order to obtain the best rate. In the event of use being made of an agent, this should not be the sole quotation received, and the Treasury Section may still obtain independent quotation from financial institutions.
- 8.9.9 In the event of an investment being made through an agent, it is essential to ensure that the paper received is an authentic paper issued by an approved financial institution, and the investment payment must only be made to the institution in which the investment will be made and not to the agent concerned.
- 8.9.10 Once a schedule of investment options has been prepared a decision should be taken by the **Chief Financial Officer** (C.F.O.) or his delegated on the appropriate institution for investment.
- 8.9.11 The necessary documents for investing purposes should be completed and the investment should be authorised by two signatories, preferably not the same two signatories that authorise the cheque or electronic funds transfer for payment.
- 8.9.12 An investment register should be maintained, defining the following detail –
- 8.9.12.1 Institutions, per institution;
  - 8.9.12.2 Institution percentage held as a percentage of the total municipal investment portfolio;
  - 8.9.12.3 Type of investment;
  - 8.9.12.4 Investment time period / lifespan;
  - 8.9.12.5 Amount invested;
  - 8.9.12.6 Interest percentage receivable on the investment;
  - 8.9.12.7 Engagement date;
  - 8.9.12.8 Maturity date; and
  - 8.9.12.9 Projected interest yield on maturity.
- 8.9.13 In accordance with the provincial notice on archiving, investment records are to be retained by the **(Local Authority) Municipality** for an indefinite period - refer to Appendix “D”.

## **8.10 COMMISSIONS OR COSTS**

- 8.10.1 No commission for investments made or referred is payable to an official or councillor, or spouse, business partner or close family member of an official or councillor by an institution or investment manager.

- 8.10.2 Any commissions, other rewards or costs paid to an investment manager by an institution must be declared to the municipality by the institution and Investment Manager by way of certificates. Any quotation given to the municipality by an institution or Investment Manager must be net of costs, rewards or commissions, but must also indicate the commissions, rewards or costs which will be paid in respect of the investments.

## **8.11 PERFORMANCE**

8.11.1 The **(Municipal Manager) Accounting Officer** must annually measure and report to the

Council on the performance

8.11.1.1 Investments in terms of the stipulated objectives of this Policy; and

8.11.1.2 Investment Managers in terms of the stipulated objectives of this policy.

## **8.12 FORBIDDEN ACTIVITIES**

8.12.1 No investments may be made other than in the name of the Municipality.

8.12.2 Money may not be borrowed for the purpose of investments

8.12.3 No person, including officials and councillors, may interfere or attempt to interfere in the management of investments entrusted to the **(Municipal Manager) Accounting Officer** or persons delegated by the **(Municipal Manager) Accounting Officer** including with the Investment Managers.

8.12.4 No investments may be made other than be denominated in Rand and which is not indexed to, or affected by, any fluctuations in the value of the Rand against any foreign currency.

## **8.13 REPORTING**

8.13.1 The **(Municipal Manager) Accounting Officer** must, in addition to the reporting in paragraph 7.7 above, within 10 working days of the end of each month submit to the Mayor a report describing in detail the investment portfolio of the municipality as at the end of the month.

8.13.2 The report referred to above must contain at least a statement, prepared in compliance with **(generally accepted municipal accounting principles) Generally Recognised Accounting Practice (GRAP)**, as amended from time to time, that gives the

- 8.13.2.1 Beginning market value of each investment for the month;
- 8.13.2.2 Additions and changes to the investment portfolio for the month;
- 8.13.2.3 Ending market value of each investment for the month;  
and
- 8.13.2.4 Fully accrued interest/yield for the month.

8.13.3 The **(Municipal Manager,) Accounting officer** in making investments, must remind the relevant institutions of the institutions' legal reporting responsibilities in terms of Sections 13 (3) and 13 (4) of the Local Government: Municipal Finance Management Act, 2003 and must get a certificate from the institutions that the institutions will comply with the Act. A single certificate per institution for any current and future investments may be obtained and must be kept on the municipality's investment file.

## **9. REVIEW OF THE POLICY**

- 9.1 This Cash Management and Investment Policy is the sole policy governing cash management and investments in the municipality. The Municipal Council must approve any reviews to this policy.
  - 9.2 The Mayor must submit any proposed changes to this policy to the Council as part of the annual review of policies submitted with the budget documentation.
  - 9.3 Whenever the Minister of Finance or the National Treasury or the Auditor-General requires changes to the policy by means of legislation or requests it should be reviewed promptly in accordance with such requirements, giving full details of the reasons for the revision.
-

**MOSSEL BAY MUNICIPALITY**

**ASSET MANAGEMENT POLICY**

**VERSION 4**

## **DOCUMENT AND VERSION CONTROL**

**Version : Revision 4**

**Date : March 2011**

**Summary : This document describes Asset Management that will be applicable to the Mossel Bay Municipality, with effect from 01 July 2011**

**Signature:** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature :** \_\_\_\_\_

**Date :** \_\_\_\_\_

**Executive Mayor**

## **CONTENTS**

1. INTRODUCTION
2. OBJECTIVE
3. DEFINITIONS
4. STATUTORY AND REGULATORY FRAMEWORK
5. BACKGROUND
6. DELEGATION OF POWERS
7. PURPOSE OF THE POLICY
8. EFFECTIVE ASSET MANAGEMENT
9. DISPOSAL OF ASSETS
10. LEASED ASSETS
11. IMPLEMENTATION OF THIS POLICY

# MOSSEL BAY MUNICIPALITY

## POLICY FOR THE MANAGEMENT OF ASSETS

### 1. INTRODUCTION

- 1.1 This Policy for the management of assets has been designed to assist management and officials of Mossel Bay Municipality with the description of management procedures for Property Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.
- 1.2 This Policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.
- 1.3 For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.
- 1.4 This Policy replaces all asset management procedures/instructions and memoranda that have been previously issued.

### 2. OBJECTIVE

- 2.1 To ensure the effective and efficient control, utilization, safeguarding and management of the Municipality's assets.
- 2.2 To ensure managers are aware of their responsibilities in regards of assets.
- 2.3 To set out the standards of physical management, recording and internal controls to ensure that assets are safeguarded against inappropriate loss or utilization.
- 2.4 Compliance with the Council's Accounting policies and generally recognised accounting practices
- 2.5 Maintenance of Council's Assets

### 3. DEFINITIONS

- 3.1 **Accounting officer** means the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

- 3.2 ***Agricultural Activity*** is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.
- 3.3 ***Agricultural Produce*** is the harvested product of the entity's biological assets.
- 3.4 ***A Biological Asset*** is a living animal or plant.
- 3.5 ***Assets*** are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow but for the purpose of this policy exclude inventory and other monetary assets.
- 3.6 ***Biological Transformation*** comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.
- 3.7 ***Carrying amount*** is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.
- 3.8 ***Chief Financial Officer*** means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.
- 3.9 ***Class of property, plant and equipment*** means a grouping of assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.
- 3.10 ***Community assets*** are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.
- 3.11 ***Cost*** is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of Standards of GRAP.
- 3.12 ***Depreciable amount*** is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value where applicable.
- 3.13 ***Depreciation*** is the systematic allocation of the depreciable amount of an asset over its useful life.
- 3.14 ***Fair value*** is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- 3.15 ***Heritage assets*** are defined as culturally significant resources. Examples are works of art, historical buildings and statues.



- 3.16 An **impairment loss** of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- 3.17 An **impairment loss** of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.
- 3.18 **Infrastructure assets** are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.
- 3.19 **Intangible assets** are identifiable non-monetary assets without physical substance.
- 3.20 **Investment properties** are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:
- (a) use in the production and supply of goods or services or for administrative purposes; or
  - (b) sale in the ordinary course of business.
- 3.21 **Municipal valuation** means the official valuation of an immovable property as reflected in the Municipality's valuation roll.
- 3.22 **Other assets** are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.
- 3.23 **Owner-occupied property** is property held (by the owner or by lessee under a finance lease) for use in the production or supply of goods and services or for administrative purposes.
- 3.24 **Property, plant and equipment** are tangible assets that:-
- (a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
  - (b) are expected to be used during more than one period.
- 3.25 **Recoverable amount** is the higher of a cash-generating asset's net selling price and its future value in use.
- 3.26 **Recoverable service amount** is the higher of a non-cash-generating asset's fair value less costs to sell and its future value in use.
- 3.27 **Residual value** of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

3.28 *Useful life is:-*

- (a) the period of time over which an asset is expected to be used by the municipality;  
or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

**4. STATUTORY AND REGULATORY FRAMEWORK**

The Municipality shall, notwithstanding this policy, comply with all relevant legislative requirements, including:

- The Constitution of the Republic of South Africa; 1996
- Local Government: Municipal Systems Act; 2000
- Local Government: Municipal Systems Act; 1998
- Local Government: Municipal Finance Management Act; 2003
- Division of Revenue Act; 2005
- Generally Recognised Accounting Practice
- Supply Chain Management Legislation

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include:

- GRAP 1 – Presentation of Financial Statements;
- GRAP 13 – Leases;
- GRAP 16 – Investment Property;
- GRAP 17 – Property, Plant and Equipment;
- GRAP 100 – Non-Current Assets Held for Sale and Discontinued Operations;
- GRAP 101 – Agriculture; and
- GRAP 102 – Intangible Assets.

**5. BACKGROUND**

- 5.1 The utilization and management of property, plant and equipment, investment property, agricultural assets and intangible assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- 5.1.1 Delivery of sustainable services;
  - 5.1.2 Social and economic development;
  - 5.1.3 Promoting safe and healthy environments; and
  - 5.1.4 Fulfilling the basic needs to the community.
- 5.2 As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.
- 5.3 The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- 5.4 Stewardship has two components being the:-
- 5.4.1 Financial administration by the Chief Financial Officer; and
  - 5.4.2 Physical administration by the relevant managers.
- 5.5 Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.
- 5.6 Accounting standards have been approved by the Accounting Standards Board to ensure the appropriate financial treatment for property, plant and equipment, investment property, agricultural assets and intangible assets. The requirements of these new accounting standards include:-
- 5.6.1 The compilation of asset registers covering all assets controlled by the Municipality.
  - 5.6.2 Accounting treatment for the acquisition, disposal, recording and depreciation of assets.
  - 5.6.3 The standards to which financial records must be maintained to comply with the new accounting standards.

## **6 DELEGATION OF POWERS**

- 6.1 This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the **[Municipal Manager] Accounting Officer** and other responsible officials as well as between the Council and the Executive Mayor and the Council and the **[Municipal Manager].Accounting Officer**. All delegations in terms of this policy must be recorded in writing.

6.2 In accordance with the Municipal Finance Management Act, the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/ her. The **[Municipal Manager] Accounting Officer** is therefore accountable for all transactions entered into by his/ her designates.

6.3 The overall responsibility of asset management lies with the **[Municipal Manager.] Accounting Officer**. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

## **7 PURPOSE OF THE POLICY**

7.1 The purpose of this policy is to ensure that proper management of assets forms part of the financial management procedures of Mossel Bay Local Municipality and to ensure that prudent asset management procedures are applied consistently.

## **8 EFFECTIVE ASSET MANAGEMENT**

### **8.1 Responsibilities**

8.1.1 The **[Municipal Manager] Accounting Officer** is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- ☐ The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- ☐ The Municipality's assets are valued in accordance with standards of generally recognized accounting practice (GRAP)
- ☐ The Municipality has and maintains a system of internal control of assets, including an asset register.
- ☐ Directors and their teams comply with this policy.

8.1.2 The Chief Financial Officer is responsible to the **[Municipal Manager] Accounting Officer** to ensure that the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions. He/she must ensure that:-

- ☐ Appropriate systems of financial management and internal control are established and carried out diligently.
- ☐ The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.

- ❑ Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- ❑ The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.
- ❑ Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions.
- ❑ The **[Municipal Manager] Accounting Officer** is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- ❑ The Directors and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

8.1.3 The Functional Managers must ensure that:-

- ❑ Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- ❑ The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- ❑ Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- ❑ Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- ❑ They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.
- ❑ Each Director should report to the **[Municipal Manager] Accounting Officer** on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.
- ❑ The responsibility for the physical control of assets rests with the relevant Director to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

- ❑ Each Director shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.
- ❑ The Chief Financial Officer must approve any transfer of assets between departments after arrangements between the relevant Directors were made.
- ❑ Upon the resignation / retirement of an employee, the applicable Director must inform the Chief Financial Officer and Asset Manager in writing that the asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable Director must inform the Asset Manager of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant Director.

The functional managers may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring that these activities are performed.

## **8.2 Asset Register**

### **8.2.1 Establishment and Management of the Register of Assets**

- ❑ The Chief Financial Officer will establish and maintain the Register containing key financial data on each item of Property, Plant or Equipment, investment property, agricultural assets and intangible assets that satisfies the criterion for recognition.
- ❑ Functional Managers are responsible for establishing and maintaining any additional register or database required to demonstrate their physical management of their assets.
- ❑ Each functional manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in their registers.

### **8.2.2 Contents of the Asset Register**

The details included in the non-current asset register will include:-

- ❑ The measurement based used (Cost or Fair Value);
- ❑ The depreciation methods used;
- ❑ The original useful live;
- ❑ The revised useful live;

- ❑ The residual value;
- ❑ Depreciation or amortisation charged for the period;
- ❑ The accumulated depreciation;
- ❑ The gross carrying amount;
- ❑ Date of acquisition;
- ❑ Date of disposal (if applicable);
- ❑ Increases or the decreases resulting from revaluations (if applicable);
- ❑ Date of last revaluation;
- ❑ Location;
- ❑ Source of finance;
- ❑ Condition of the asset;
- ❑ Method of Calculating recoverable amount (when impairment tests are required in terms of GRAP);
- ❑ Any restrictions on title to the asset;
- ❑ Strategic purpose and if it is required to provide minimum basic services;
- ❑ Responsible Functional Manager/ department/ vote.
- ❑ Impairment losses incurred during the financial year (and the reversal of such losses, where applicable); and
- ❑ Whether the asset is required to perform basic municipal services

### 8.3 **Classification of Assets**

In compliance with the requirements of the applicable standard, the Chief Financial Officer shall ensure that all assets are classified under the following headings and sub-headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:-

### 8.3.1 Property, Plant and Equipment

- ❑ Land (not held as investment assets).
- ❑ Infrastructure assets (assets which are part of a network of similar assets).
- ❑ Community assets (assets contributing to the general well-being of the community).
- ❑ Heritage assets (culturally significant assets).
- ❑ Other assets (ordinary operational assets).
- ❑ Housing (rental stock or housing stock not held for capital gain).

### 8.3.2 Save for land and buildings other assets shall be classified under the following headings:

- Computer equipment;
- Office equipment;
- Furniture and fittings;
- Radio Equipment;
- Plant and machinery;
- Motor Vehicles; and
- Emergency Equipment.

### 8.3.3 Investment Property

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councillors or officials are classified as owner-occupied property and are therefore not classed as investment property.

Investment properties will be treated in accordance with IAS 40 and will separately be classified in the Statement of Financial Position. Investment properties will not be depreciated but will be re-valued bi-annually.



#### 8.3.4 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with IAS 38 and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

#### 8.3.5 Agricultural Assets

Agricultural Assets will be treated in accordance with IAS 41 and will separately be classified in the Statement of Financial Position

#### 8.3.6 Asset Treated as Inventory

- **[Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of financial position.]**
- **[Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.]**

The Chief Financial Officer shall use the classifications indicated in the Annexure on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Annexure shall use the classification applicable to the asset most closely comparable in the Annexure.

### 8.4 Recognition of Assets

#### 8.4.5 Recognition of Heritage Assets

- If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.
- For Statement of Financial Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

#### 8.4.6 Recognition of Donated Assets

- Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the Chief Financial Officer.

### **8.5 Depreciation and Amortisation**

#### 8.5.1 Depreciation and amortisation

All PPE, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which an asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which an asset is used or consumed.

However, depreciation shall initially be calculated from the day following the day on which an item of PPE is acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is brought into use, until the end of the quarter concerned. Thereafter, depreciation charges shall be calculated monthly.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

Each part of an item of property plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately

#### 8.5.2 Rate of Depreciation and Amortisation

The Chief Financial Officer shall assign a useful operating life to each depreciable asset recorded on the Municipality's asset register. In determining such a useful life the Chief Financial Officer shall use the useful lives set out in

the annexure to this document as a guideline.

In the case of an asset which is not listed in this annexure, the Chief Financial Officer shall determine a useful operating life, if necessary in consultation with the Head of Department who shall control or use the item in question, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in determining the rate of amortisation of intangible assets shall be identical to those applying to the rate of depreciation of other PPE.

#### **8.5.3 Method of Depreciation and Amortisation**

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible assets on a systematic basis over its useful life.

The residual values and useful lives of assets shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

### **8.6 Amendment of Asset Lives and Diminution in the Value of PPE and Intangible Assets**

- 8.6.1 Only the Chief Financial Officer may amend the useful operating life assigned to any PPE and intangible assets, and when any material amendment occurs the Chief Financial Officer shall inform the Council of such amendment.
- 8.6.2 The Chief Financial Officer shall amend the useful operating life assigned to any item of PPE and intangible assets if it becomes known that such item has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the item's economic benefits or service potential will be consumed.
- 8.6.3 If the value of an item of PPE and intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

- 8.6.4 Similarly, if an item of PPE has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the fixed asset register.
- 8.6.5 In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE or intangible asset in question.
- 8.6.6 If any of the foregoing events arises in the case of a normally non-depreciable item of PPE, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it was an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.
- 8.6.7 Additional depreciation or amortisation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

## **8.7 Funding of Assets and Reserves**

- 8.7.1 The purchase of assets may be funded from the raising of external loans, leases, government- and public contributions, the Capital Replacement Reserve and surplus cash.

## **8.8 Carrying Values of PPE and Intangible Assets**

- 8.8.1 All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The original cost of an item of PPE or intangible assets may include:

- ❑ Cost price;
- ❑ Financing costs (MFMA section 46(4));

- ❑ Import tax;
  - ❑ Non-claimable purchase tax; and
  - ❑ Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 8.8.2 When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.
- 8.8.3 When an item of PPE or intangible assets is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, “fair value” shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 3 hereof.
- 8.8.4 The only exceptions to this rule shall be re-valued items of PPE (see part 8.9 below) and heritage assets in respect of which no depreciation is recorded in the fixed asset register.

## **8.9 Revaluation of items of PPE**

- 8.9.1 All land and buildings recorded in the Municipality’s asset register shall be re-valued when the Council is of the opinion that economic conditions have had a substantial impact on the value of land and buildings within the municipal area. Under such circumstances a sworn valuer will be appointed to perform a valuation of all land and buildings.
- 8.9.2 The Chief Financial Officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the items as valued by a sworn valuer, provided the Chief Financial Officer is satisfied that such value reflects the fair value of the land and buildings concerned.
- 8.9.3 [The Chief Financial Officer shall also, where applicable, create a revaluation reserve for each such item equal to the difference between the value as recorded by the valuer and the carrying value of the item before the adjustment in question.]**
- 8.9.4 The buildings concerned shall thereafter be depreciated on the basis of its re-valued amount, over its remaining useful operating life, and such increased

depreciation expenses shall be budgeted for and debited against the appropriate line item in the department or vote controlling or using the buildings in question.

**8.9.5 [The Chief Financial Officer shall ensure that an amount equal to the difference between the new (enhanced) monthly depreciation expense and the depreciation expenses determined in respect of such buildings before the revaluation in question is transferred annually from the revaluation reserve to the Municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary.]**

**8.9.6 [If the amount recorded by the valuer is less than the carrying value of the item of land or buildings recorded in the fixed asset register, the Chief Financial Officer shall adjust the carrying value of such item by increasing the accumulated depreciation of the item in question by an amount sufficient to adjust the carrying value to the value as recorded by the valuer. Such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such item, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the item of land or building in question.]**

8.9.7 Re-valued land and buildings shall be carried in the fixed asset register, and recorded in the annual financial statements, at their re-valued amount, less accumulated depreciation (in the case of buildings)

## **8.10 Other Write-offs of Assets**

8.10.1 An asset, even though fully depreciated, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the asset concerned.

8.10.2 Every Head of Department shall report to the Chief Financial Officer, on request by the CFO, but at least annually on any asset which such Head of Department wishes to have written off, stating in full the reason for such recommendation.

8.10.3 The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the assets to be written off.

8.10.4 The only reasons for writing off assets, other than the alienation of such asset, shall be the loss, theft, and destruction or material impairment of the asset in question.

8.10.5 If an asset must be written off as a result of an occurrence out of the control of the municipality, such as malicious damage, theft or destruction, the **[municipal manager] Accounting Officer** must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such

loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

- 8.10.6 In every instance where a not fully depreciated asset is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

## **8.11 Carrying Values of Investment Property**

- 8.11.1 An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).
- 8.11.2 When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.
- 8.11.3 When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, “fair value” shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 3 hereof.
- 8.11.4 After initial recognition investment property will be measured at fair value. A gain or loss arising from a change in fair value shall be recognized as a profit or loss in the Statement of Financial Performance in the period in which it arises. The fair value of investment property shall reflect market conditions at the reporting date.
- 8.11.5 In terms of IAS 40 transfers to and from investment property shall be made when there is a change in use:
- (a) [Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;]**
  - (b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
  - (c) [End of owner-occupation, for a transfer from owner-occupied property to investment property; or]**

**(d) [Commencement of an operating lease to another party, for a transfer from inventories to investment property.]**

8.11.6 When an investment property is transferred to **[inventory or]** owner-occupied property, the property's deemed cost is the fair value of the property at the date of the change in use.

**8.11.7 [For a transfer from inventories to investment property, that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in the Statement of Financial Performance.]**

## **8.12 Management and Operation of Assets**

### **8.12.1 Accountability to manage assets**

- Each Functional Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:-
  - Developing appropriate management systems, procedures, processes and controls for managing assets;
  - Providing accurate, reliable and up to date account of assets under their control; and
  - The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

### **8.12.2 Contents of a strategic management plan**

- Functional Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Functional Manager will need to develop strategic asset management plans that cover:-
  - Alignment with the Integrated Development Plan;
  - Operational guidelines;
  - Performance monitoring;
  - Maintenance programs;
  - Renewal, refurbishment and replacement plans;



- Disposal and Rehabilitation plans;
  - Operational, financial and capital support requirements, and
  - Risk mitigation plans including insurance strategies
- The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

#### 8.12.3 Reporting on Emerging Issues

Each Functional Manager should report to the [**Municipal Manager**] **Accounting Officer** on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

#### 8.12.4 Verification of Assets

The Municipality shall at least once during every financial year undertake, on a date as determined by the CFO, a comprehensive verification of all moveable assets controlled or used by all the departments of the Municipality.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all relevant results of such verification, and that the resultant report shall be submitted to the Chief Financial Officer not later than 30 June of the year in question.

#### 8.12.5 Movement of Assets

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all transfers from its original location of assets (including minor assets items) within 5 working days after transfer of such asset.

### 8.13 Disposal of Assets

8.13.1 In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations

8.13.2 Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all fixed assets controlled or used by the

department concerned which such head of department wishes to alienate by public auction or public tender.

- 8.13.3 The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- 8.13.4 The council shall delegate to the **[municipal manager] Accounting Officer** the authority to approve the alienation of any moveable asset with a carrying value less than R50 000 (fifty thousand rand). The council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R50 000 (fifty thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004..
- 8.13.5 In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.
- 8.13.6 The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-
- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
  - has considered the fair market value of the item and the economic and community value to be received in exchange for the asset.
- 8.13.7 The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.
- 8.13.8 Once the fixed assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the fixed asset register. If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.
- 8.13.9 If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be

recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

- 8.13.10 All gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned.
- 8.13.11 If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated to the Capital Replacement Reserve.
- 8.13.12 Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations

## **8.14 Capitalization**

### *8.14.1 Capitalisation Criteria – Material Value*

All assets may only be acquired in terms of council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Directors shall at all times ensure that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Directors shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of council's Supply Chain Management policy should be obtained and where required submitted to the Bid Adjudication Committee for approval;

- The Bid Adjudication Committee's resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;
- The order would then be generated by the Supply Chain Section ;
- Once delivered the asset must be labeled / bar-coded by the Asset Manager before such asset is put into use;
- The Director should endorse receipt of the asset on the invoice and forwarded it for payment to the Creditors' department; and
- The Creditors' department would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The original cost of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### *8.14.2 Capitalisation Criteria – Reinstatement, Maintenance and Other Expenses*

- ❑ Only expenses incurred in the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such item) or in the material extension of the useful operating life of an asset shall be capitalised.

- ❑ Expenses incurred in the maintenance or reinstatement of an asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the item concerned is attained, and shall not be capitalised, taking into account International Financial Reporting Standards in respect of the expenses concerned.
- ❑ Expenses which are reasonably ancillary to the bringing into operation of an asset may be capitalised as part of such item. Such expenses may include but need not be limited to import duties, forward cover-, transportation- , installation-, assembly- and communication costs.

#### *8.14.3 Accounting Procedures*

All capital expenses will be recorded during the year in the General Ledger in suspense accounts. In the asset register expenses will be recorded as work in progress. At the end of the financial year items in the asset register recorded as work in progress will be transferred as assets to the relevant cost centres. The suspense account in the general ledger will be credited and the relevant asset votes debited. A reconciliation between the asset register and general ledger will be done on a monthly basis.

### **8.15 Maintenance**

#### *8.15.1 Maintenance Plans*

- ❑ Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more, or as determined from time to time by the Accounting Officer, is promptly prepared and submitted to the Council for approval.
- ❑ If so directed by the [Municipal Manager,] **Accounting Officer** the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.
- ❑ The Head of Department controlling or using the infrastructure asset in question, shall on request by the [Municipal Manager] **Accounting Officer** annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned.

#### *8.15.2 Deferred Maintenance*

- ❑ If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved

maintenance plan for any infrastructure asset (see par 8.14.1 above), the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

- If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall redetermine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

#### *8.15.3 General Maintenance of Assets*

Every Head of Department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 8.15.1 and part 8.15.2 above) are properly maintained and in a manner which will ensure that such items attain its useful operating lives.

### **8.16 Replacement Strategy**

- 8.16.1 The [**Municipal Manager,**] **Accounting Officer**, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

### **8.17 Insurance of Assets**

- 8.17.1 The [**Municipal Manager**] **Accounting Officer** shall ensure that all movable assets are insured at least against fire and theft, and that all Municipal buildings are insured at least against fire and allied perils.
- 8.17.2 If the Municipality creates a self-insurance reserve the Chief Financial Officer shall annually determine the premiums payable by the departments or votes after having received a list of the assets and insurable values of all relevant items from the Heads of Departments concerned.
- 8.17.3 The [**Municipal Manager**] **Accounting Officer** shall recommend to the Council, after consulting with the Chief Financial Officer, the basis of the

insurance to be applied to each type of asset:- either the carrying value or the replacement value of the item concerned. Such recommendation shall take due cognisance of the budgetary resources of the Municipality.

- The **[Municipal manager] Accounting Officer** and heads of department will annually revise council insurance portfolio to ensure that all assets are adequately insured. The services of an insurance broker would be required in terms of council's Supply Chain Management policy.
- Any theft, loss or damage to an asset should immediately be reported to council's insurance brokers by the relevant head of department under whose responsibility the asset falls. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer who must record such claim in the insurance register. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the **[Municipal Manager] Accounting Officer** after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.
- Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

#### **8.18 IMPAIRMENT OF ASSETS**

The accounting treatment relating to impairment losses is outlined in GAMAP 17.

The carrying amount of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised

as an expense immediately, **[unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.]**

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to the recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification works is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of the recoverable amount.

The following may be indicators that an asset is impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:
  - Are in a state of damage at year end.
  - Are technologically obsolete at year end. .
  - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
  - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts
- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset as defined above.
- The impairment loss per asset is the difference between the net selling price and the carrying value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.



## **8.19 ACQUISITION OF ASSETS**

### **8.19.1 Pre-acquisition Planning :**

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through All stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and
- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

### **8.19.2 APPROVAL TO ACQUIRE PROPERTY, PLANT AND EQUIPMENT:**

Money can only be spent on a project if:

- The money has been appropriated in an approved budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.

### **8.19.3 FUNDING OF CAPITAL PROJECTS:**

Within the Municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

## **8.20 PURCHASE/HIRE OF IMMOVALBE PROPERTY**

The municipality may acquire by purchase, or by hire, immovable property within-or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:-
  - In the case of the following paragraph complies with the requirements of that paragraph; and
  - In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:
  - The price is in excess of the market value thereof as assessed by an appraiser; or
  - The rental which, when calculated per annum in the case of:
  - Immovable property hired for agricultural purposes, exceeds six percent; and
  - Immovable property hired for any other purpose, exceed twelve percent of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

## **9 DISPOSAL OF ASSETS**

Disposals will be treated in accordance with the requirements of the MFMA and Supply Chain Management Policy.

## **10 LEASED ASSETS**

Leased Assets will be treated in accordance with IAS 17.

## **11 IMPLEMENTATION OF THIS POLICY**

This policy shall be implemented once approved by Council. All future asset management must be done in accordance with this policy.

This policy must be reviewed whenever it is required in terms of operational- or legislative changes or as a result of audit requirements.

## **[INFRASTRUCTURE ASSETS]**

[The following is a list of infrastructure assets, with the assigned or estimated useful lives in years in brackets:-

<b>*      Airports</b>			
	<b>Airport and radio beacons</b>	<b>(20)</b>	<b>Runways</b> <b>(20)</b>
	<b>Aprons</b>	<b>(20)</b>	<b>Taxiways</b> <b>(20)</b>
<b>*      Electricity</b>			
	<b>Cooling towers</b>	<b>(30)</b>	<b>Power stations</b> <b>(30)</b>
	<b>Load control equipment</b>	<b>(20)</b>	<b>Supply and reticulation networks</b> <b>(20)</b>
	<b>Mains</b>	<b>(20)</b>	<b>Switchgear</b> <b>(20)</b>
	<b>Meters</b>	<b>(20)</b>	<b>Transformer kiosks</b> <b>(30)</b>
<b>*      Gas</b>			
	<b>Mains</b>	<b>(20)</b>	<b>Storage tanks</b> <b>(20)</b>
	<b>Meters</b>	<b>(20)</b>	<b>Supply and reticulation networks</b> <b>(20)</b>
<b>*      Pedestrian malls</b>			
	<b>Footways</b>	<b>(20)</b>	<b>Paving</b> <b>(20)</b>
	<b>Kerbing</b>	<b>(20)</b>	
<b>*      Roads</b>			
	<b>Bridges, subways and culverts</b>	<b>(30)</b>	<b>Overhead bridges</b> <b>(30)</b>
	<b>Bus terminals</b>	<b>(20)</b>	<b>Stormwater drains</b> <b>(20)</b>
	<b>Car parks</b>	<b>(20)</b>	<b>Street lights</b> <b>(25)</b>
	<b>Motorways</b>	<b>(15)</b>	<b>Traffic islands</b> <b>(10)</b>
	<b>Other roads</b>	<b>(10)</b>	<b>Traffic lights</b> <b>(20)</b>
<b>*      Security measures</b>			
	<b>Access control systems</b>	<b>(5)</b>	<b>Security fencing</b> <b>(3)</b>
	<b>Security systems</b>	<b>(5)</b>	
<b>*      Sewerage</b>			
	<b>Outfall sewers</b>	<b>(20)</b>	<b>Sewerage purification works</b> <b>(20)</b>
	<b>Sewer mains</b>	<b>(20)</b>	<b>Sludge machines</b> <b>(15)</b>
	<b>Sewerage pumps</b>	<b>(15)]</b>	

**\* [Water**

Mains	(20)	Rights (that is, the right to draw water from a particular source belonging to another party)	(20)
Meters	(15)	Supply and reticulation networks	(20)
Reservoirs and storage tanks	(20)]		

**[COMMUNITY ASSETS]**

[The following is a list of community assets with the assigned or estimated useful lives in years in brackets:-

**\* Buildings and other assets**

Ambulance stations	(30)	Game reserves and rest camps	(30)
Aquariums	(30)	Indoor sports	(30)
Beach developments	(30)	Libraries	(30)
Care centres	(30)	Museums and art galleries	(30)
Cemeteries	(30)	Parks	(30)
Civic theatres	(30)	Public conveniences and bath houses	(30)
Clinics and hospitals	(30)	Recreation centres	(30)
Community centres	(30)	Sports and related stadiums	(30)
Fire stations	(30)	Zoo	(30)

**\* Recreation facilities**

Bowling greens	(20)	Outdoor sports facilities	(20)
Flood lighting	(20)	Organs (that is, pipe organs that are fixtures in a Municipal hall or other centre)	(20)
Fountains	(20)	Lakes and dams	(20)
Golf courses	(20)	Swimming pools	(20)
Jukskei pitches	(20)	Tennis courts	(20)

**OTHER ASSETS**

The following is a list of other assets with the estimated useful life in years in brackets:-

**\* Buildings**

Abattoirs	(30)	Laboratories	(30)
Asphalt plant	(30)	Nurseries	(30)
Cable stations	(30)	Office buildings	(30)
Caravan parks	(30)	Old age homes	(30)
Compacting stations	(30)	Quarries	(30)
Fresh produce and other markets	(30)	Tip sites	(30)
Hostels used to accommodate the public or tourists	(30)	Training centres	(30)

<b>Hostels for Municipal employees</b>	<b>(30)</b>	<b>Transport facilities</b>	<b>(30)</b>
<b>Housing schemes</b>	<b>(30)</b>	<b>Workshops and depots</b>	<b>(30)</b>
<b>Kilns</b>	<b>(30)]</b>		

* <b>[Bins and containers</b>			
	<b>Bulk refuse containers</b>	<b>(10)</b>	<b>Household refuse bins (5)</b>
* <b>Emergency equipment</b>			
	<b>Emergency lights</b>	<b>(5)</b>	<b>Other fire-fighting equipment (15)</b>
	<b>Fire hoses</b>	<b>(5)</b>	
* <b>Furniture and fittings</b>			
	<b>Chairs</b>	<b>(7-10)</b>	<b>Tables and desks (7-10)</b>
	<b>Cabinets and cupboards</b>	<b>(7-10)</b>	
* <b>Motor vehicles</b>			
	<b>Ambulances</b>	<b>(5-10)</b>	<b>Motor cycles (3)</b>
	<b>Buses</b>	<b>(15)</b>	<b>Ordinary motor vehicles (5-7)</b>
	<b>Fire engines</b>	<b>(20)</b>	<b>Trucks and light delivery vehicles (5-7)</b>
* <b>Office equipment</b>			
	<b>Air conditioners</b>	<b>(5-7)</b>	<b>Computer hardware (5)</b>
	<b>Office machines</b>	<b>(3-5)</b>	<b>Computer software (3-5)</b>
* <b>Plant and equipment</b>			
	<b>Cable cars</b>	<b>(15)</b>	<b>Laboratory equipment (5)</b>
	<b>Compressors</b>	<b>(5)</b>	<b>Lathes (15)</b>
	<b>Conveyors</b>	<b>(15)</b>	<b>Lawn mowers (2)</b>
	<b>Cremators</b>	<b>(15)</b>	<b>Mechanical horses (10-15)</b>
	<b>Farm equipment</b>	<b>(5)</b>	<b>Pulverising mills (15)</b>
	<b>Feeders</b>	<b>(15)</b>	<b>Radio equipment (5)</b>
	<b>Filling equipment</b>	<b>(15)</b>	<b>Telecommunication equipment (5)</b>
	<b>Firearms</b>	<b>(5)</b>	<b>Tippers (15)</b>
	<b>Graders</b>	<b>(10-15)</b>	<b>Tractors (10-15)</b>
	<b>Irrigation systems</b>	<b>(15)</b>	
* <b>Other</b>			
	<b>Aircraft</b>	<b>(15)</b>	<b>Watercraft (15)]</b>

## Annexure to Asset Management Policy



## Table of useful lives

### Classes of Assets

USEFUL LIFE IN YEARS		
MIN		MAX

#### PROPERTY, PLANT AND EQUIPMENT LAND

Developed land  
Undeveloped land

N/A  
N/A

#### BUILDINGS

##### DWELLINGS

Caravans  
Children's homes  
Foreign mission dwellings  
Homes for the aged  
Hostels  
Military personnel dwellings  
Mobile homes  
Places of safety (children)  
Prisons and rehabilitation facilities  
Residences (presidential, embassies)  
Residences (personnel) include garages and parking  
Secure care centres

<u>5 - 10</u>		
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>		<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>5 - 10</u>		
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>

##### NON RESIDENTIAL DWELLINGS

Airport and associated buildings (control towers, transfer halls, parking, hangars and warehousing)  
Border and custom control points  
Bus terminals  
Bus shelters

<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>10</u>	<u>:</u>	<u>15</u>

	USEFUL LIFE IN YEARS		
	MIN		MAX
<u>Civic theatres</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Clinics and community health facilities</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Community centres and public entertainment buildings</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Driver and vehicle testing centres</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Fire stations</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Foreign mission offices</u>	<u>25</u>		<u>30</u>
<u>Hospitals and ambulance stations</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Industrial buildings</u>	<u>20</u>	<u>:</u>	<u>30</u>
<u>Laboratories</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Libraries</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Mortuaries</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Museums and art galleries</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Office buildings (including air conditioning systems)</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Public parking (covered and open)</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Police stations (and associated buildings)</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Railway and associated buildings</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Research facilities (including weather)</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Stadiums</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Taxi ranks</u>	<u>10</u>	<u>:</u>	<u>15</u>
<u>Universities, colleges, schools etc.</u>	<u>25</u>	<u>:</u>	<u>30</u>
<u>Warehouses (storage facilities, including data)</u>	<u>25</u>	<u>:</u>	<u>30</u>

#### OTHER STRUCTURES (INFRASTRUCTURE ASSETS)

##### ELECTRICITY

Cooling towers

Mains

Meters

Prepaid

Credit

Power stations

Coal

Gas 50

Hydro

Nuclear

Supply/reticulation

Transformers

Lines

Underground 25 - 45

Overhead 20

Cables

Substations

Switchgear

Equipment

Outdoor

GIS 15

Indoor

Electrical panels

Telemetry

<u>25</u>	<u>:</u>	<u>30</u>
<u>15</u>	<u>:</u>	<u>20</u>
<u>10</u>	<u>:</u>	<u>20</u>
<u>20</u>	<u>:</u>	<u>25</u>
<u>50</u>	<u>:</u>	<u>60</u>
	<u>:</u>	<u>60</u>
<u>50</u>	<u>:</u>	<u>60</u>
<u>60</u>	<u>:</u>	<u>80</u>
<u>15</u>	<u>:</u>	<u>25</u>
<u>25</u>	<u>:</u>	<u>50</u>
	<u>:</u>	<u>30</u>
<u>25</u>	<u>:</u>	<u>45</u>
<u>20</u>	<u>:</u>	<u>30</u>
<u>20</u>	<u>:</u>	<u>30</u>
	<u>:</u>	<u>30</u>
<u>30</u>	<u>:</u>	<u>40</u>
<u>3 - 5</u>		
<u>7 - 15</u>		

<u>USEFUL LIFE IN YEARS</u>		
<u>MIN</u>		<u>MAX</u>

## ROADS (Roads, Pavements, Bridges & Storm Water)

### BRIDGES

#### Vehicle

Bridges - Concrete

Bridges - Steel

Bridges - Timber

#### Pedestrian

Bridges - Concrete

Bridges - Steel

Bridges - Timber

#### Railway

Bridges - Concrete

Bridges - Steel

Bridges - Timber

#### Reinforced retaining walls

Earth

Concrete

#### Expansion and construction joints

### STORM WATER

#### Culverts

Concrete

Armco 25

#### Drains

Earthworks

Concrete lining

#### Stop banks

#### Pipes

#### Coastal

Structure (Retaining walls)

Piers

Storm water outfalls

### ROADS

#### Kerb and channels

#### Municipal roads - Asphalt surface

- Asphalt layer

- Concrete surface

- Concrete layer

- Gravel surface

#### National roads - Asphalt surface

- Asphalt layer

- Concrete surface

- Concrete layer

- Gravel surface

#### Provincial roads - Asphalt surface

- Asphalt layer

- Concrete surface

60	:	80
40	:	50
25	:	40
60	:	80
40	:	50
25	:	40
60	:	80
40	:	50
25	:	40
10	:	15
25	:	30
15	:	20
25	:	40
40	:	60
	:	40
80	:	100
25	:	50
40	:	50
25	:	50
20	:	40
60	:	80
60	:	80
40	:	50
10	:	20
30	:	50
10	:	30
30	:	50
3	:	10
10	:	20
30	:	50
10	:	30
30	:	50
3	:	10
10	:	20
30	:	50
10	:	30

- Concrete layer  
- Gravel surface  
Crash barriers  
Retaining walls  
Overload control centres  
Electronic hardware  
Other equipment  
Pedestrian footpaths  
Street lighting  
Subways  
Traffic islands  
Traffic lights  
Traffic lights – coastal  
Traffic signs  
Toll road plazas

<u>USEFUL LIFE IN YEARS</u>		
<u>MIN</u>		<u>MAX</u>
<u>30</u>	:	<u>50</u>
<u>3</u>	:	<u>10</u>
<u>10</u>	:	<u>30</u>
<u>30</u>	:	<u>60</u>
<u>15</u>	:	<u>20</u>
<u>10</u>	:	<u>15</u>
<u>10</u>	:	<u>20</u>
<u>15</u>	:	<u>30</u>
<u>25</u>	:	<u>40</u>
<u>40</u>	:	<u>50</u>
<u>40</u>	:	<u>50</u>
<u>15</u>	:	<u>20</u>
<u>10</u>	:	<u>15</u>
<u>5 - 15</u>		
<u>20</u>	:	<u>30</u>

#### AIRPORTS

Airports and radio beacons  
Aprons  
Runways  
Taxiways  
Specialised equipment  
Luggage movement equipment  
Communication equipment

<u>25</u>	:	<u>30</u>
<u>25</u>	:	<u>30</u>
<u>15</u>	:	<u>20</u>
<u>15</u>	:	<u>20</u>
<u>20</u>	:	<u>25</u>
<u>10</u>	:	<u>15</u>

#### WATER

##### Dams

Structure  
- concrete  
- earth  
Mechanical and electrical

Meters  
Standpipes  
Metalwork (steel stairs, ladders, handrails, weirs)  
Pump stations

Structure  
Electrical  
Mechanical  
Perimeter protection

##### Reservoirs

Structure  
Electrical  
Mechanical  
Perimeter protection

##### Supply/reticulation

##### Underground chambers

Valves  
Meters  
Transition

<u>80</u>	:	<u>100</u>
<u>30</u>	:	<u>50</u>
<u>15</u>	:	<u>40</u>
<u>10</u>	:	<u>20</u>
<u>5 - 20</u>		
<u>10</u>	:	<u>30</u>
<u>30</u>	:	<u>55</u>
<u>15</u>	:	<u>40</u>
<u>15</u>	:	<u>40</u>
<u>10</u>	:	<u>25</u>
<u>30</u>	:	<u>50</u>
<u>15</u>	:	<u>40</u>
<u>15</u>	:	<u>40</u>
<u>10</u>	:	<u>25</u>
<u>20</u>	:	<u>50</u>
<u>15</u>	:	<u>25</u>
<u>10</u>	:	<u>20</u>
<u>10</u>	:	<u>15</u>

Other  
Water purification works  
Structure  
Electrical  
Mechanical  
Perimeter protection  
Meters  
Telemetry

<u>USEFUL LIFE IN YEARS</u>		
<u>MIN</u>		<u>MAX</u>
<u>5-10</u>		
<u>30</u>	<u>:</u>	<u>55</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>10</u>	<u>:</u>	<u>25</u>
<u>10</u>	<u>:</u>	<u>15</u>
<u>10</u>	<u>:</u>	<u>15</u>

## SEWERAGE

Bulk pipelines (outfall sewers)  
Rising mains  
Gravity mains  
Sewerage pump stations  
Structure  
Electrical  
Mechanical  
Perimeter protection  
Metalwork  
Sewers/reticulation  
Waste purification works  
Structure  
Electrical  
Mechanical  
Perimeter protection  
Meters

<u>40</u>	<u>:</u>	<u>50</u>
<u>40</u>	<u>:</u>	<u>50</u>
<u>30</u>	<u>:</u>	<u>55</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>10</u>	<u>:</u>	<u>25</u>
<u>10</u>	<u>:</u>	<u>30</u>
<u>30</u>	<u>:</u>	<u>60</u>
<u>30</u>	<u>:</u>	<u>55</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>10</u>	<u>:</u>	<u>25</u>
<u>10</u>	<u>:</u>	<u>15</u>

## SOLID WASTE DISPOSAL

Collection  
Vehicles  
Containers/Bins  
Transfer stations and processing facilities  
Structure  
Electrical  
Mechanical  
Perimeter protection  
Landfill site  
Earthmoving and compaction equipment  
Landfill preparation  
Structure  
Weighbridge  
Mechanical 15  
Electrical  
Perimeter protection

<u>5-10</u>		
<u>10</u>	<u>:</u>	<u>15</u>
<u>30</u>	<u>:</u>	<u>55</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>10</u>	<u>:</u>	<u>25</u>
<u>10</u>	<u>:</u>	<u>15</u>
<u>NA</u>		
<u>30</u>	<u>:</u>	<u>55</u>
	<u>:</u>	<u>40</u>
<u>15</u>	<u>:</u>	<u>40</u>
<u>10</u>	<u>:</u>	<u>25</u>

## RAILWAYS

Power supply units  
Railway sidings  
Railway tracks

<u>25</u>		<u>30</u>
<u>25</u>	<u>:</u>	<u>30</u>
<u>15</u>	<u>:</u>	<u>20</u>

	<b><u>USEFUL LIFE IN YEARS</u></b>		
	<b><u>MIN</u></b>		<b><u>MAX</u></b>
<u>Signalling systems</u>	<u>15</u>		<u>20</u>
<u>Shunting yards</u>	<u>25</u>		<u>30</u>
<b><u>GAS SUPPLY SYSTEMS</u></b>			
<u>Structure</u>	<u>40</u>	:	<u>50</u>
<u>Electrical</u>	<u>20</u>	:	<u>25</u>
<u>Mechanical</u>	<u>20</u>	:	<u>25</u>
<u>Perimeter protection</u>	<u>10</u>	:	<u>15</u>
<u>Stations</u>			
<u>Trunk receiving</u>	<u>40</u>	:	<u>50</u>
<u>District regulating</u>	<u>40</u>	:	<u>50</u>
<u>Mains/pipelines</u>	<u>15</u>	:	<u>20</u>
<u>Meters</u>	<u>15</u>	:	<u>20</u>
<u>Storage facilities</u>	<u>15</u>	:	<u>20</u>
<u>Supply/reticulation</u>	<u>15</u>	:	<u>20</u>
<b><u>CEMETERIES</u></b>			
	<u>25</u>	:	<u>30</u>
<b><u>CAPITAL/INFRASTRUCTURE WORK IN PROGRESS</u></b>			
	<b><u>N/A</u></b>		
<u>Buildings</u>			
<u>Infrastructure</u>			
<u>Other</u>			
<b><u>OTHER MACHINERY AND EQUIPMENT</u></b>			
<u>Audiovisual equipment</u>	<u>5- 10</u>		
<u>Building air conditioning systems</u>	<u>10</u>	:	<u>5</u>
<u>Cellular phones (over R5 000)</u>	<u>0- 2</u>		
<u>Cellular routers</u>	<u>3- 5</u>		
<u>Domestic equipment (non kitchen appliances)</u>	<u>3- 5</u>		
<u>Electric wire and power distribution equipment (compressors, generators &amp; allied equipment)</u>	<u>5- 7</u>		
<u>Emergency/rescue equipment</u>	<u>5- 10</u>		
<u>Elevator systems</u>	<u>15</u>	:	<u>20</u>
<u>Farm/Agricultural equipment</u>	<u>5- 15</u>		
<u>Fire Fighting equipment</u>	<u>3- 5</u>		
<u>Gardening equipment</u>	<u>2- 4</u>		
<u>Irrigation equipment</u>	<u>10</u>	:	<u>15</u>
<u>Kitchen appliances</u>	<u>5- 10</u>		
<u>Laboratory equipment - Agricultural</u>	<u>5- 7</u>		
- <u>Medical testing</u>	<u>5- 7</u>		
- <u>Roads and transport</u>	<u>5- 7</u>		
<u>Laundry equipment and industrial sewing machines</u>	<u>10</u>	:	<u>15</u>
<u>Learning, training support and library material (curriculum equipment)</u>	<u>5- 10</u>		
<u>Machines for metallurgy</u>	<u>5- 10</u>		
<u>Machines for mining and quarrying</u>	<u>5- 10</u>		
<u>Machines for textile production</u>	<u>10</u>	:	<u>15</u>
<u>Medical and allied equipment</u>	<u>5- 10</u>		
<u>Music instruments</u>	<u>10</u>	:	<u>15</u>
<u>Photographic equipment</u>	<u>5- 7</u>		

	<u>USEFUL LIFE IN YEARS</u>	
	<u>MIN</u>	<u>MAX</u>
<u>Pumps, plumbing, purification and sanitation equipment</u>	<u>5-10</u>	
<u>Radio equipment</u>	<u>5-7</u>	
<u>Road construction and maintenance equipment</u>	<u>10</u> :	<u>15</u>
<u>Saddles and other tack</u>	<u>5-7</u>	
<u>Security equipment/systems/ materials - Fixed</u>	<u>3-5</u>	
<u>- Movable</u>	<u>3-5</u>	
<u>Ship and marine equipment</u>	<u>5-10</u>	
<u>Sport and recreational equipment</u>	<u>5-10</u>	
<u>Survey equipment</u>	<u>5-7</u>	
<u>Telecommunication equipment</u>	<u>3-5</u>	
<u>Tents, flags and accessories</u>	<u>5-10</u>	
<u>Woodworking machinery and equipment</u>	<u>5-10</u>	
<u>Workshop equipment and loose tools - Fixed</u>	<u>5-10</u>	
<u>- Movable</u>	<u>3-5</u>	

#### FURNITURE AND OFFICE EQUIPMENT

<u>Advertising boards</u>	<u>3-5</u>	
<u>Air conditioners (individual fixed &amp; portable)</u>	<u>3-5</u>	
<u>Cutlery and crockery</u>	<u>5-10</u>	
<u>Domestic and hostel furniture</u>	<u>10</u> :	<u>15</u>
<u>Linen and soft furnishings</u>	<u>5-10</u>	
<u>Office equipment (including fax machines)</u>	<u>5-7</u>	
<u>Office furniture</u>	<u>5-7</u>	
<u>Paintings, sculptures, ornaments (home and office)</u>	<u>5-10</u>	

#### COMPUTER EQUIPMENT

<u>Computer hardware including operating systems</u>	<u>3-5</u>	
<u>Networks</u>	<u>5-10</u>	

#### TRANSPORT ASSETS

<u>Aircraft</u>	<u>10</u> :	<u>15</u>
<u>Aircraft engines</u>	<u>5-7</u>	
<u>Airport transport equipment (stairs and luggage)</u>	<u>10</u> :	<u>15</u>
<u>Busses</u>	<u>10</u> :	<u>15</u>
<u>Cycles</u>	<u>4-7</u>	
<u>Emergency vehicles (Ambulances and fire engines)</u>	<u>5-10</u>	
<u>Mobile clinics</u>	<u>10</u> :	<u>15</u>
<u>Motor vehicles</u>	<u>4-7</u>	
<u>Railway rolling stock</u>	<u>10</u> :	<u>15</u>
<u>Ships</u>	<u>15</u> :	<u>20</u>
<u>Ships engines</u>	<u>5-7</u>	
<u>Trailers and accessories</u>	<u>5-10</u>	
<u>Trucks</u>	<u>5-7</u>	

#### HERITAGE ASSETS

<u>Archives</u>	<u>N/A</u>	
<u>Areas of land of historic or specific significance (i.e. world heritage site)</u>	<u>N/A</u>	

	<u>USEFUL LIFE IN YEARS</u>		
	<u>MIN</u>		<u>MAX</u>
<u>Culturally significant buildings (parliamentary buildings)</u>		<u>N/A</u>	
<u>National monuments</u>		<u>N/A</u>	
<u>National parks/reserves (i.e. Kruger Park)</u>		<u>N/A</u>	
<u>Paintings</u>		<u>N/A</u>	
<u>Sculptures</u>		<u>N/A</u>	
<u>Municipal jewellery</u>		<u>N/A</u>	
<u>Works of art</u>		<u>N/A</u>	
<u>Other antiques and collections</u>		<u>N/A</u>	

#### BIOLOGICAL OR CULTIVATED ASSETS

<u>Dairy cattle</u>		:	
<u>Feathered animals (for eggs and feathers)</u>		:	
<u>Forests and plantations</u>		:	
<u>Fruit trees</u>		:	
<u>Game animals</u>		:	
<u>Animals for reproduction (cattle, goats, sheep, pigs)</u>		:	
<u>Animals for wool or milk (goats and sheep)</u>		:	
<u>Dogs (law enforcement and security)</u>		:	
<u>Horses (law enforcement and working)</u>		:	
<u>Plants (for production of seeds)</u>		:	
<u>Vines</u>		:	
<u>Other animals</u>		:	

#### INVESTMENT PROPERTY

#### INTANGIBLE ASSETS

<u>Capitalised development costs</u>		:	
<u>Computer software</u>		<u>2 - 5</u>	
<u>Mastheads and publishing titles</u>		:	
<u>Patents, licences, copyrights, brand names and trademarks</u>		:	
<u>Recipes, formulae, prototypes, designs and models</u>		:	
<u>Service and operating rights</u>		:	
<u>Other intangibles</u>		:	





**MOSSEL BAY MUNICIPALITY**  
**FUNDING AND RESERVE POLICY**

**DOCUMENT AND VERSION CONTROL**

**Version:** Version 2

**Date:** **March 2011**

**Summary:** This document describes Funding and Reserves that will be applicable to the Mossel Bay Municipality, with effect from

**1 July 2011**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Executive Mayor**

**(A) POLICY FOR THE CAPITAL REPLACEMENT RESERVE (C.R.R.)**

The following is the policy for the Capital Replacement Reserve (CRR) for Mossel Bay Municipality.

**(1) Purpose of the CRR**

It is the policy of Mossel Bay Municipality to establish a Capital Replacement Reserve. The purpose of the CRR is to set aside funds for the financing of property, plant and equipment. The CRR is therefore an asset financing source that represents an alternative to the other funding sources available to municipalities, namely external loans (interest bearing borrowings) and government grants and subsidies.

**(2) Contributions to the CRR**

It is the policy of Council to annually make contributions to the CRR to ensure that the CRR remains a capital funding source of the future. The Municipality will determine its future capital financing requirements and endeavour transfer sufficient cash to its CRR in terms of this determination. The Integrated Development Plan, the Municipality's ability to raise external finance and the amount of government grants and subsidies that will be received in future will need to be taken into account in determining the amount that must be transferred to the CRR.

All cash proceeds on the sale of assets (including the sale of buildings and land) will be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets.

All cash proceeds from Developers Contributions and payments received in respect of buyout of parking areas will be transferred from the Accumulated Surplus to the CRR via the Statement of Changes in Net Assets.

The Council will annually, with the approval of its budget, provide for a contribution from Income to the CRR. The contribution from income is a function of Interest received on investments as well as a portion of the income generated from tariff income in respect of depreciation of assets. Annually a contribution equal to the depreciation of that financial year will be contributed from the accumulated surplus to the C.R.R. Every year, with the closure of the Financial records, the Chief Financial Officer can decide on an increased contribution to the CRR if sufficient cash surpluses were generated through savings on expenditure or additional income sources during the year.

The actual final contribution compared to the budgeted amount, must annually be reported to Council.

Similarly the Chief Financial Officer can decide on a lesser amount but only if the cash income from Interest on Investments and Tariffs did not realize as budgeted for.

### **(3) Accounting Requirements**

The balance on the CRR must always be represented by cash.

The CRR may only be utilised for purpose of financing of items of property, plant and equipment as specified in GRAP 17 for the Municipality and may not be used for the maintenance of any assets.

Whenever an asset is financed out of the CRR an amount equal to the cost price of the asset purchased is transferred from the CRR into Accumulated Surplus on the Statement of Changes in Net Assets. This is done to accommodate future annual depreciation charges on assets funded from the CRR.

A register must be kept with full details of all the following transactions:

- (a) Land Sales
- (b) Developers Contributions
- (c) Parking areas

---

# **MOSSEL BAY MUNICIPALITY**

## **DEBT AND BORROWING POLICY**

---

## DOCUMENT AND VERSION CONTROL

**Version:** Revision 2

**Date:** March 2011

**Summary:** This document describes the Debt and Borrowing Policy that will be applicable to the Mossel Bay Municipality, with effect from

1 July 2011

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Executive Mayor**

## **INDEX**

- 1. INTRODUCTION**
  - 2. POLICY FRAMEWORK**
  - 3. OBJECTIVES**
  - 4. DUE DELIGENCE**
  - 5. DELEGATIONS**
  - 6. MANGEMENT AND INTERNAL CONTROL PROCEDURES**
  - 7. DEBT**
    - 7.1. Debt Management
    - 7.2. Debt Ethics
    - 7.3. Types of Debt
    - 7.4. Security for Debt
    - 7.5. Procedures for debt approval and securities
    - 7.6. Cost of Debt
    - 7.7. Competitive Bidding
    - 7.8. Types of Debt and Financing sources
    - 7.9. Commission or Cost
    - 7.10. Performance
    - 7.11. Forbidden activities
    - 7.12. Reporting
  - 8. REVIEW OF THE POLICY**
-

---

**DEBT AND BORROWING POLICY – MARCH 2011****1. INTRODUCTION**

In terms of Chapter 6 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (The “Act”) the municipality may incur long- and short-term debt, subject to certain conditions.

The municipality sometimes need additional bridging funding for over short-term periods and to finance long-term projects (capital projects).

This Debt Policy provides for the municipality to obtain short- and long-term debt and set out all conditions under which the municipality will be entitled to obtain such debt.

All employees of the municipality should adhere to this policy.

**1. POLICY FRAMEWORK**

This policy addresses all relevant principles and processes to be followed when obtaining short- and long-term debt, to ensure sufficient management of debt. The policy includes the following:

- Objectives of the policy
- Due diligence
- Delegations
- Management and internal control procedures
- Debt Management
- Types of Debt
- Securities for Debt
- Approval procedures
- Cost of Debt
- Competitive selection of bids
- Types of Debt and financing sources
- Commission and discounts
- Forbidden activities
- Reporting and monitoring of requirements
- Review of the policy

**2. OBJECTIVES**

The objectives of this policy are to ensure optimal performance with the lowest possible risk through managing the debt, and to ensure accountability, responsibility and transparency throughout the process.

---



**DEBT AND BORROWING POLICY – MARCH 2011****3. DUE DELIGENCE**

Each official involved in the process of debt must do so with such judgments and care, under prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in managing his or her own affairs and with his or her primary goal to protect the municipality's cash resources, the municipality's interests with its funders, and in general the municipality's good name.

Speculation may not be undertaken in any of the processes.

**4. DELEGATIONS**

The management of all cash resources of the municipality is the responsibility of the Municipal Manager. The Municipal manager will be responsible for:

- the proper implimentation of this policy;
- developing of a relevant system for delegation which will ensure administrative as well as operational effectiveness; and
- appropriate controles on balancing of the management of cash resources

The Chief Financial Officer, as designated in writing by the Municipal Manager, should advise the Municipal Manager on the exercise of powers and duties with regard to this policy, and assist the Municipal Manager in the administration of the cash resources, bank accounts and debt account.

The Municipal Manager may not delegate any powers or duties in the administration of the municipality's cash resources to any political structure or councillor and no council member is allowed to interfere or attempt to interfere in the management of the municipality's cash resources.

Any delegation by the Municipal Manager in terms of this policy:

- Must be in writing.
- Is subject to any restrictions and conditions as the Municipal Manager shall prescribe.
- May be either to a specific individual or to the holder of a specific position in the municipality and may not be a committee of officials.
- Can not deprive the Municipal Manager of the responsibility concerning the exercise of delegated powers or the performance of the delegated duty.

The municipal manager may question any decision taken as a result of a delegation or sub-delegation in terms of this policy to confirm, amend or repeal, but no such

---

**DEBT AND BORROWING POLICY – MARCH 2011**

amendment or repeal of an act may be done to break down any rights that would arise as a result of the decision.

For the implementation of this policy, any reference to "Municipal Manager" also means "any other person acting under a delegated power or function as exercising delegated by the Municipal Manager in terms of paragraph 5.

**5. MANAGEMENT AND INTERNAL CONTROL PROCEDURES**

The Municipal Manager, assisted by the Chief Financial Officer must take all reasonable steps to ensure:

- That the municipality have a managerial-, accounting- and information system to maintain all debt-, accounts-, receipting-, withdrawals- and debt transactions.
- That, in the case of debt, amounts due been calculated on a monthly basis
- That the municipality have a system of internal controls over bank- and debt accounts, receipting-, withdrawal- and debt transactions.

The Internal Audit department should advise the municipal manager and evaluate and report on compliance with the above, at least on an annual basis.

**6. DEBT****6.1. Debt Management**

The Municipal Manager is responsible for the administration of all debt procedures and must take all reasonable steps to ensure that debts are managed in compliance with all audit requirements and any legal requirements included as prescribed in the Law on Local Government: Municipal Finance Management Act, 2003 and in particular Chapter 6 of the Act.

The Municipal Manager may delegate the duties, linked to investments, as per paragraph 5 of this policy.

**6.2. Debt Ethics**

All officials involved in the debt management process must act with fidelity, honesty, integrity and in the best interest of the municipality and must strive, within the sphere of influence of the officials, to prevent any impairment of the debt of the municipality and creating solvency problems.

No officials involved in the debt management process should use his or her position or privileges as, or confidential information obtained in the process for personal gain or unfair advantage to another person.

---

**DEBT AND BORROWING POLICY – MARCH 2011**

The Municipal Manager must report as soon as practicable to the Mayor as well as the National Treasury any alleged violation of the above and may also make recommendations whether the alleged offending party must be listed on the National Treasury's database of persons prohibited from doing any business with the public sector. Any such report by the Municipal Manager must complete details of the alleged violation and a written response from the alleged offending party, as proof that the alleged offending party did receive the allegations in writing and had at least 7 (seven) working days to respond to the allegations.

Any sponsor, offered or granted to the municipality must be immediately reported to the National Treasury.

**6.3. Types of Debt****6.3.1. Short-term Debt**

To ensure that the municipality has sufficient cash to meet the objectives of local government, as contained in Article 152 of the Constitution of the Republic of South Africa (Act 108 of 1996), it is sometimes necessary to obtain short-term financing in order to finance cash shortages in a financial year to cover the bridging operation and / or temporary capital financing.

Short-term debts may only be incurred if the Council is convinced that it will be refunded during the financial year and a report to the Council should indicate how and when it will be repaid, with specific reference to the conditions set in Article 45 of the Act on Local Government: Municipal Finance Management Act (Act No. 56 of 2003).

No debt agreement for short-term debts may be incurred for a period that expires after the end of the financial year in which they are incurred. The Municipal Manager must, as part of the budgeting, determine in time whether the Council will need short term debt for the new financial year ahead and take such steps to ensure that the Council could consider a debt agreement before the date on which the Council will require such financing.

By considering the cash flow of the municipality it must be provide for emergency situations that additional cash may be needed and

---

**DEBT AND BORROWING POLICY – MARCH 2011**

should be kept in mind to determine whether the Council should enter into short-term debts.

Nothing prevents the Municipal Manager to, if it appears that during the financial year a cash shortage arises, obtain approval from the Council for the introduction of short-term debts. However if it will not be repaid in the same financial year as a result of under-performance in terms of credit or over expenditure, the Council is not allowed to approve such agreement.

The conditions set out in Chapter 6 of the Act on Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) must at all times be complied with by the Municipal Manager.

#### 6.3.2. Long-term Debt - Capital Asset

The Council has an obligation to acquire assets and to maintain it in order to ensure service delivery, however it is not always possible for the Council to finance these assets from its own cash reserves. It is for this purpose that the Council may incur long-term debt.

No capital projects may be entered into before the financing sources have been considered, approved and are available. For the purposes of this, "available" means a legally enforceable document in the municipality's possession that guarantees the funding. Short-term bridging finance for capital expenditure may be incurred in anticipation of the disbursement of the long-term debt, provided that the long-term financing is "available" and the conditions for engaging in short-term debts, as per par.7.3.1. above, are met.

The cost of long-term assets which may be incurred include capitalized interest for a reasonable time, the cost of securities, finance costs, advertising, legal, advisory, trustee, credit ratings and other costs of finance, professional services, where it directly applicable to the project and other amounts that the Minister of Finance may approve.

The terms of repayment of any debt must be calculated according to the expected useful life of the assets financed with the debt.

No long-term debt may be incurred if it is not compatible with the municipality's capital budget, excluded for refinancing.

---

**DEBT AND BORROWING POLICY – MARCH 2011****6.3.3. Long-term Debt – Refinancing**

The municipality is, in terms of Section 46 (5) of the Act on Local Government: Municipal Finance Management Act, 2003, allowed refinancing of long-term debt with the aim to save on the cost of debt. The Municipal Manager must, for this purpose, at least annually and as part of the budget process evaluate and report to the Council about the cost of existing debt, or if the refinancing is a benefit to the municipality. As part of the evaluation, the Municipal Manager should consider if a once-off payment at the end of the loan period would not be more favorable to the municipality if the repayments are invested in an investment fund with reasonable projected return on such investment.

Refinancing may only be for long-term debt which has been incurred lawfully in the past and with the further condition that the loan period does not exceed the expected lifespan of the assets financed thereby.

**6.4. Security for Debt**

It is common practice that investors or financiers required security for granting loans. The municipality will provide security for the inclusion of debt, as set out in section 48 of the Act on Local Government: Municipal Finance Management Act, 2003, but the Council will consider each form of security, together with the debt agreement.

**6.5. Procedures for debt approval and securities**

The procedures for approval of debt and debt security is defined in Chapter 6 of the Act on Local Government: Municipal Finance Management Act, 2003. For completeness of this policy is shown below:

**6.5.1. Short-term Debt**

- “45 (2) A municipality may incur short-term debt only if –
- (a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and
  - (b) The accounting officer has signed the agreement or other document which creates or acknowledges the debt.”

**6.5.2. Long-term Debt**

- “46 (2) A municipality may incur long-term debt only if –
- (a) A resolution of the municipal council, signed by the mayor, has approved the debt agreement; and

**DEBT AND BORROWING POLICY – MARCH 2011**

- (b) The accounting officer has signed the agreement or other document which creates or acknowledges the debt.
- (3) A municipality may incur long-term debt only if the accounting officer of the municipality -
  - (a) has, in accordance with section 21A of the Municipal System Act-
    - (i) at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public in an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and
    - (ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
  - (b) Has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of-
    - (i) The essential repayment terms, including the anticipated debt repayment schedule; and
    - (ii) The anticipated total cost in connection with such debt over the repayment period.”

**6.5.3. Security**

- “48 (3) A council resolution authorising the provision of security in terms of subsection (2) (a) –
- (a) must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and
  - (b) if so, must indicate the manner in which the availability of the asset or right for the provision of that minimum level of basic municipal services will be protected.
- (4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with the asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.
- (5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.”
-

**DEBT AND BORROWING POLICY – MARCH 2011****6.6. Cost of Debt**

The municipality must guard that the cost of long-term debt do not rise to such a level that it has a remarkable negative effect on taxes or other municipal charges such as maintenance. The maximum percentage of the operating budget for the repayment of debt must be calculated in the municipality's long-term budget with thorough consideration of the needs identified in the Integrated Development Plan, the cost of new or replacement of existing infrastructure and equipment and other administrative needs.

**6.7. Competitive Bidding**

The Municipal Manager should adhere to the process as per Supply Chain policy when considering the bids received. For purposes of evaluating tenders in terms of costs, the expected interest debt over the full term of the proposed debt agreement calculated and used as the basis for the 80/20 and 90/10 allocations.

**6.8. Types of Debt and Financing sources**

The types of debt that may be incurred and the debt financing which may be incurred are as follows:

**6.8.1. Types of Short-term Debt**

- Bank overdraft
- Short Term Loans
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

**6.8.2. Types of Long-term Debt**

- Long-Term Loans
- Installment Credits
- Finance Leasing
- Marketable Bonds
- Non-Marketable Bonds
- Other Securities

**6.8.3. Financing Sources**

- Public
  - Banks
-

**DEBT AND BORROWING POLICY – MARCH 2011**

- Development Bank of South Africa
- Infrastructure Finance Corporation
- Public Investment Commissioners
- Insurance Companies
- Municipal Pension Funds
- Other Public Pension Funds
- Bond Trusts
- Internal Funds
- Other Sources

**6.9. Commission or Cost**

No Commission is payable to an officer or board member, or spouse to, business partner or immediate relative of an officer or board member by an institution, investors or financiers, for any reference made by them.

Any commission, fee or other compensation paid to any person by an institution must certify to the municipality by the institution through a certificate. Any quotation / tender to the municipality given by an institution must be net of fees, commissions or rewards, but also need to include commission, rewards or costs, that will be paid in respect of the debt.

**6.10. Performance**

The Municipal Manager must annually measure and report to the Council on the performance of its debt in terms of the stipulated objectives of this policy.

**6.11. Forbidden activities**

- No debt may be made otherwise than in the name of the municipality.
- Money cannot be borrowed for the purpose of investments.
- No person, including officers and council members, may interfere or attempt to interfere in the management of fault attributed to the Municipal Manager or persons delegated by the Municipal Manager.
- No debt may be made in any other currency than the Rand, and that is not linked, or is affected by any change in the value of the Rand against any foreign currency.
- No debt shall be made for expenses not related to the functions and powers of the municipality.

**6.12. Reporting**

The Municipal Manager must within 10 working days after the end of each quarter furnish the Mayor with a report setting out the detail of each debt portfolio.

---



---

**DEBT AND BORROWING POLICY – MARCH 2011**

The above report must be in the format provided by National Treasury for reporting and monitoring of debt..

**7. Review of the Policy**

This Debt Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

All proposed changes to this policy should be tabled by the Mayor as part of the annual review of policies and budget documentation.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council. Such submission must be accompanied with a full description of the reasons for the change to the policy.

---

# **MOSSEL BAY MUNICIPALITY**

## **Expenditure Policy**

### **1. Expenditure**

1.1 No expenditure shall be incurred unless provision therefore has been made in the approved budget.

1.2 Work approved by the Council, either specially or generally, may only be undertaken on behalf of a third party when the full costs are recovered in advance before commencement of the work.

1.3 In the case of an emergency, any proposed expenditure not provided for in the budget shall be authorised as prescribed in terms of Section 29 of the Municipal Finance Management Act.

In addition to Section 29, the following procedures will also be applicable:

(a) In the case of operating expenditure, report as soon as possible to the Accounting Officer and identify virements in the operational budget in order to finance the expenditure; or

(b) In the case of capital expenditure, report as soon as possible to the Accounting Officer and recommend virements in the capital budget, having regard to priority ratings and the limit of the total approved capital budget.

1.4 No person shall commit the municipality to any authorised expenditure unless the necessary Supply Chain Management processes have been followed which include the completion of an official requisition or order. The Chief Financial Officer shall determine the information to be supplied on such requisition or order.

1.5 No Unauthorised, Irregular, Fruitless and Wasteful expenditure may be incurred by any person. If such expenditure is incurred, it will be dealt with in terms of Section 32 of the M.F.M.A.

### 1.5 1 Unauthorised Expenditure

Unauthorised expenditure is any expenditure incurred otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (MFMA).

Unauthorised expenditure includes:

- Overspending of the total amount appropriated in the municipality's approved budget,
- Overspending of the total amount appropriated for a vote in the approved budget,
- Expenditure from a vote unrelated to the department or functional area covered by the vote,
- Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose,
- Spending of an allocation received from another sphere of Government, municipality, or organ of state otherwise than in accordance with any conditions of the allocation,
- A grant by the municipality otherwise than in accordance with the MFMA.

### 1.5.2 Irregular Expenditure

Irregular expenditure is expenditure incurred by the municipality in contravention of, or that is not in accordance with the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or the Municipality's supply chain management policy and which has not been condoned in terms of such act or policy, but excludes expenditure which falls within the definition of "unauthorised expenditure".

### 1.5.3 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

## 2. Capital Expenditure

2.1 No capital expenditure shall be incurred or committed to any project unless:-

- (a) provision has been made in the approved capital budget or adjustments budget.
- (b) all necessary legislative requirements have been met as set out in the Municipal Finance Management Act (Act No. 56 of 2003), Supply Chain

Management policy and the Budget and Reporting Regulations of National Treasury.

2.2 Amendments to the approved capital budget must be done in accordance with the virement policy of Council.

2.3 Where capital expenditure provided in the previous year's budget has not been fully incurred in that year and the balance of the capital expenditure with respect to the specific project must be incurred during the current financial year, such balance of expenditure, if not duly provided for in the current year's budget, shall only be authorised if the total capital costs/depreciation impacting on the municipal operating account for the particular service does not exceed the provision for capital costs/depreciation provided for the service in the current financial year. Such expenditure must be dealt with in terms of the Council's virements policy and must be approved in the adjustment budget in February each year.

### **3 Expenditure from Provisions and Special Funds**

3.1 Expenditure are only allowed as a direct allocation to provisions where the necessary provision has been made and approved by Council through the operating budget and according to the guidelines as set out in the GRAP standards.

### **4 Recovery of Losses**

4.1 Any loss suffered by the municipality due to any fraudulent or corrupt act or an act of bribery shall be dealt with in accordance with the Fraud Prevention Policy and immediately be reported to the South African police service, Auditor-General, Mayor and Accounting Officer in terms of Section 32 (b) of the M.F.M.A.

4.2 Circumstances of financial misconduct by municipal officials in accordance with section 171 of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) must be reported to the Accounting Officer immediately.

### **5 Goods and Materials**

5.1 Heads of departments shall advise the chief financial officer of the persons authorised to sign requisitions in respect of the categories determined and approved by the municipal manager from time to time. Specimen signatures of all persons authorised to sign requisitions shall be supplied to the chief financial officer. Supply

Chain Management will keep record of all authorised persons and the specimen signatures.

## **6 Payments**

All payments must adhere to the stipulations as required by Section 11 of the M.F.M.A.

6.1 (a) The Accounting Officer, Chief Financial Officer and any other official authorised in terms of Section 11 of the M.F.M.A. shall be responsible for the payment of all accounts due by the municipality.

(b) All payments are due 30 days from the date of invoice or statement, unless a lesser period has been authorised by the director or his delegated official.

(c) Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is for legally rendering the service to Council, is received.

(d) All requests for payment, properly certified and accompanied by the relevant invoices and supporting documentation must reach the Creditors' Section 3 days (72 hours), before payments are made.

6.2 Heads of departments shall advise the Chief Financial Officer of the names of officials empowered to sign vouchers and authorising payment of accounts and together with their specimen signatures.

6.3 Invoices or statements submitted for payment to the Head Expenditure by any department shall be in such form as may be required by the chief financial officer and must state the reference to the budgetary provision to meet such payment.

6.4 A department submitting an invoice to the Chief Financial Officer for payment shall ensure and authorizes that:-

(a) All processes in terms of the Supply Chain Management Policy of Council had been followed.

(b) The goods and services have been received and rendered in good order and under the control of Council;

- (c) The prices, calculations and any taxes are correct;
- (d) Any discounts to which the municipality is entitled have been deducted;
- (e) The account has not been paid previously;
- (f) Sufficient budgetary provisions exists;
- (g) If excess expenditure is involved, the resolution authorising the excess expenditure shall be quoted on the voucher;
- (h) Authority for the payment exists, in which case the authority shall be indicated on the voucher;
- (i) Fruitless and wasteful expenditure has not been incurred.

6.5 All payments due by the municipality shall be made by cheque or approved electronic payment method drawn on the banking account of the municipality. Certain payments may be made from petty cash in accordance with the Supply Chain policy as amended from time to time.

The following procedures must be followed in respect of petty cash payments:

- (a) A proper voucher with full details of expenditure must be submitted;
- (b) The voucher must be signed by the person making the payment, and the person that rendered the payment for purchases;
- (c) All vouchers must be signed by an authorised Senior Official.
- (d) A proper register with full details of expenditure and Income must be maintained.
- (e) Supplement to the petty cash advance must be done on a regular basis.
- (f) The following documentation must be submitted with supplement to the advances.
  - All signed schedules and vouchers supported by the relevant invoices and vote allocations.

- A proper reconciliation to match the supplementary amount.
- 6.6(a) All cheques or other methods of payment approved by the chief financial officer and drawn on the banking account of the municipality, shall be signed or authorised by not fewer than two persons as authorised by the Accounting Officer in terms of the Section 11 of the M.F.M.A.
- (b) The delegated authority to sign cheques or authorise electronically payments shall be in writing and kept on record, and be reviewed regularly by the Accounting Officer. Copies of such letters of authority will be kept by the Expenditure Section.

## **7 Salaries, Wages and Allowances**

- 7.1 The chief financial officer shall be responsible for the calculation and payment of salaries, wages and allowances.
- 7.2 Payment shall be made in accordance with pay sheets approved by the Head Expenditure to a nominated bank account of the municipal employee or councillor.
- 7.3(a) The Director of Corporate services is responsible to notify the Head Expenditure of all appointments, promotions, dismissals, resignations, transfers, absences for any reasons, and all matters affecting the emoluments of employees of the municipality.
- (b) The submission of such information to the Head Expenditure shall be in such form and at such dates and times as the Chief Financial Officer may determine from time to time.
- 7.4 The Director Corporate Services shall be responsible for the maintenance of all records essential for the accurate determination of emoluments and leave due to employees of the municipality.

## **8 Accounting**

- 8.1 The Chief Financial Officer shall determine the format, standards and systems applicable to the accounting procedures on expenditure and shall in doing so

take cognisance of General Recognised Accounting Practices (GRAP) guidelines issued by The Accounting Standards Board.

8.2 The Chief Financial Officer shall ensure that proper accounting records and registers are opened and maintained in compliance with subsection (1), and he may prescribe the requirements for access to electronic accounting systems and shall maintain the necessary security and password systems for this purpose.

## **9 Banking details**

9.1 Any changes to creditors banking details will only be allowed when the following procedures have been met:

9.1.1 The Creditor must inform the Municipality of his banking details on an original letterhead from the specific company and approved by the relevant banking institution with their official stamp and signatures.

9.1.2 In the case where official letterheads and documentation is not available a letter from the banking institution duly signed by both parties and official stamp will be required.

9.1.3 Only original documentation for detail as set out above will be accepted for any changes to banking details.

9.1.4 Refunds in respect of other deposit accounts, excluding consumer deposit, will only be refunded to the bank account originally certified by the beneficiary at the time of payment.

## **10. Interest on late payments**

No interest will be payable by Council on any late payments unless prove of negligence of council's officials are provided in which case it must be reported to the Accounting Officer who will determine the recoverability there-of.

## **11. Grant Expenditure**

A proper cash flow in respect of Grant expenditure as well as Grant income related to the Grant Funding project must be drawn up by the relevant director.



No payments will be allowed in respect of projects to be financed from external grants unless grant funding have been received. Council may, however, approve payments before any funds have been received but only where funds, already committed in writing, by the relevant state department or other institution. The relevant directorate must obtain approval for bridging finance.

The Head Expenditure will keep proper records and reconciliations of Grants funded projects.

# MOSSEL BAY MUNICIPALITY

## VIREMENT POLICY

### DOCUMENT AND VERSION CONTROL

**Version:** Version 2

**Date:** March 2011

**Summary:** This document describes the Virement policy that will be applicable to the Mossel Bay Municipality, with effect from

1 July 2011

Signature: \_\_\_\_\_

Date : \_\_\_\_\_

**Municipal Manager  
(Accounting Officer)**

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Executive Mayor**

## 1. PURPOSE

- 1.1 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control.
- 1.2 Section 81(1)(d) of the MFMA states inter alia “that The Chief Financial Officer of the Municipality must advise senior Managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79”.
- 1.3 It is the responsibility of each Executive Director of each Directorate to which funds are allocated, to plan and conduct assigned operations so as not to spend more funds than budgeted for and to ensure that funds are utilized effectively and efficiently.
- 1.4 Section 78 (1) of the MFMA states inter alia that “Each Senior Manager of a Municipality and each official of a Municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that in terms of Section 78(1) (b) the financial and other resources of the Municipality are utilized effectively, efficiently, economically and transparently”
- 1.5 No expenditure may be incurred unless provision therefore has been made in the operating and capital budgets. Refer to section 15 of the M.F.M.A. in this regard.

## 2. DEFINITIONS (CHAPTER 1 OF M.F.M.A.)

### 2.1 Accounting Officer

- 2.1.1 “(a) in relation to a municipality, means the Municipal official referred to in section 60“

### 2.2 Adjustment Budget

Means a budget

- (a) As described in Section 28 of the M.F.M.A. and
- (b) In terms of Part 4 of the Municipal Budget and Reporting Regulations.

### 2.3 Approved Budget

“Means an annual budget –

- 2.3.1 (a) approved by a Municipal Council; or
- 2.3.2 (b) approved by a Provincial or the National Executive following an intervention in terms of section 139 of the constitution, and includes such an annual budget as revised by an adjustments budget in terms of section 28 and of the Municipal Budget and Reporting Regulations.”

#### 2.4 Chief Financial Officer

2.4.1 “means a person designated in terms of section 80(2) (a)”.

#### 2.5 Executive Directors

2.5.1 Section 56 of the Systems Act states inter alia that : “Appointment of managers directly accountable to Municipal Managers – (a) a Municipal Council, after consultation with the municipal manager, appoints a manager directly accountable to the Municipal Manager.”

#### 2.6 Financial year

2.6.1 Means a year ending on 30 June.

#### 2.7 M.F.M.A Vote

2.7.1 “(a) one of the main segments into which a budget of a Municipality is divided for the appropriation of money for the different departments or functional areas of the Municipality; and

(b) Which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.”

2.7.2 The definition of “VOTE” for Mossel Bay Municipality is set at the Directorate level.

#### 2.8 Virement

2.8.1 The process of transferring an approved budgetary provision from one operating cost element or capital project to another during a municipal financial year and which results from changed circumstances from that which prevailed at the time of the previous budget adoption.

### 3. REGULATION ON BUDGET VERSUS EXPENDITURE – M.F.M.A

3.1 The M.F.M.A. regulates as follows regarding the incurring of expenditure against budgetary provisions.

#### 3.1.1 Section 15 – Appropriation of funds for expenditure

“A Municipality, may except where otherwise provided in the Act, incur expenditure only –

(a) In terms of an approved budget, and

(b) Within the limits of the amounts appropriated for the different votes in the approved budget.”

#### 3.1.2 Unauthorised Expenditure (M.F.M.A. Definition)

“in relation to a Municipality, means any expenditure incurred by a Municipality otherwise than in accordance with section 15 or 11 (3), and includes –

- (a) Overspending of the total amount appropriated in the Municipality's approved budget;
- (b) Overspending of the total amount appropriated for a vote in the approved budget;
- (c) Expenditure from a Vote unrelated to the department or functional area covered by the vote;
- (d) Expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- (e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) A grant by the Municipality otherwise than in accordance with this act."

### 3.1.3 Overspending (M.F.M.A. Definition)

- (a) "in relation to the budget of a Municipality, means causing the operational or Capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) In relation to a Vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits in subsection (5) of that section."

3.1.4 Section 71 (1) (g) (iii) states inter alia (i) " The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality and the relevant provincial treasury a statement in the prescribed format on the state of the Municipality's budget reflected the following particulars for that month and for the financial year up to the end of that month – (g) when necessary, an explanation of – (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the Municipality's approved budget".

## 4. VIREMENT REQUIREMENTS

4.1 A virements represents a flexible mechanism to affect budgetary amendments within a Municipal financial year, and represents the major mechanism to align and take corrective (financial / budgetary) action within a Directorate during a financial year.

4.2 To transfer funds from one vote or capital project to another vote or capital project, a saving has to be identified within the monetary limitations of the approved vote or capital project allocations on the respective budgets.

4.3 Any budgetary amendments of which the net impact will result in exceeding the approved annual budget allocation for a vote and any other amendments not covered in this policy are to be considered for budgetary adoption via an adjustments budget (per M.F.M.A. section 28)

4.4 In terms of Section 17 of the M.F.M.A. a municipality's budget is divided into an operating and capital budget and consequently no virements are permitted between Operating and Capital Budgets.

## 5. DELEGATIONS

5.1 Subject to the further stipulations and conditions in this policy, the authority is delegated to every Director to vire not more than 25% per annum to and from the same votes, sub-votes, projects, etcetera of the budget.

5.2 Virements between votes would require a Council resolution which is confirmed through the Adjustment Budget.

## 6. OPERATING BUDGET

6.1 Virements are not allowed to utilise any special purpose operating budgetary allocations approved by Council and which is specifically mentioned and highlighted as such during the approval of the budget.

6.2 Only Council may consider the virements of these funds mentioned in 6.1 above and only after full motivations were provided for these virements.

### 6.3 Salaries, Wages and Allowances

6.3.1 Virements to and from Salaries, wages and allowances are not permitted unless approved by Council.

6.3.2 Any savings identified for the filling of approved vacant posts not budgeted for can only be vired with a Council's Resolution in which the future year's financial impact had also been considered.

#### 6.4 Other Expenditure

6.4.1 Virements to and from the following items are not allowed: Bulk purchases; Debt Impairment, Interest Charges; Depreciation, Grants to Individuals, Revenue foregone, Insurance and Vat. And other non-cashed items as determined by the Chief Financial Officer.

6.4.2 Virements in respect of expenditure votes financed from grants or any other external source of finance must be approved by Council.

#### 6.5 Revenue

6.5.1 No virements are permitted in relation to the Revenue side of the Budget.

6.5.2 Revenue amendments are to be adopted via an adjustments Budget.

#### 6.6 Confirmation

The virements of any savings amount is subject to the confirmation of the Chief Expenditure.

### 7. CAPITAL BUDGET

7.1 Virements with the result in adding 'new' projects to the Capital Budget will not be allowed unless approved by council.

7.2 Virements in respect of savings on capital projects will only be permitted if allocated to projects approved as part of the annual or adjustment budgets or the 3 year capital program of the Council.

7.3 Budgeted amounts in respect of approved capital projects which are, due to changed circumstances, not executed, can only be vired by Council.

7.4 The only exemption to 7.1 and 7.2 above is where furniture and/or equipment (to a maximum value of R50 000) which does not appear on the Capital Budget can be purchased. This authority is delegated to the Municipal Manager and Directors.

7.5 Virements of Conditional Grant funds to purposes outside of that specified in the relevant Conditional Grant framework is not permitted.

7.6 Virements of Capital Projects can only be approved between projects of similar funding sources (e.g. MIG to MIG).

## 8. PROCESS AND ACCOUNTABILITY

8.1 Virements application forms as per annexure A must be completed in accordance with Council's virements policy.

8.2 Completed virements documentation must also to be verified by the Head : Expenditure as confirmation of available funds and/or savings.

8.3 Virements approved by the Directors will be reported to Council on a quarterly basis.

### Annexures

Annexure A : Virement Form : Operational Budget and Capital Budget.



**MOSSEL BAY MUNICIPALITY**

**APPLICATION FOR A VIREMENT OF FUNDS**

FILE NO. : 5/1/1 09/10

TO : CHIEF FINANCIAL OFFICER

FROM : DIRECTORATE : .....

SUBJECT : VIREMENT OF OPERATIONAL AND CAPITAL FUNDS

FINANCIAL YEAR : 2009/10

Transfer the following savings as identified on the current budget to the following budget allocations :

DECREASE VOTE NUMBER	INCREASE VOTE NUMBER	AMOUNT (CASH FLOW)											
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MCH	APR	MAY	JUN

MOTIVATION FOR TRANSFER :

It is hereby certified that the above requests for the transfer of funds adhere to the Virement Policy as approved by Council.

REQUESTED BY :	
NAME	SIGNATURE
DATE	

SAVINGS CONFIRMED BY :	
NAME	SIGNATURE
DATE	

PROCESSED BY : DATE :

APPROVED BY DIRECTOR	
NAME	SIGNATURE
DATE	

**MOSSEL BAY MUNICIPALITY**

**SUPPLY CHAIN  
MANAGEMENT POLICY**

**December 2010**

## Mossel Bay Municipality

### SUPPLY CHAIN MANAGEMENT POLICY

This policy was adopted by the Municipality of Mossel Bay through Town Council Resolution E59-09/2005 in terms of Section 111 of the Municipal Finance Management Act, No 56 of 2003 and amended through Council Resolutions E28-05/2009, E61-05/2010 and E160-12/2010. This policy super cedes all other procurement policies previously in force at the Municipality.

### TABLE OF CONTENTS

	PAGE
1. Definitions	4
<b>CHAPTER 1: ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT</b>	
2. Supply Chain Management Policy	7
3. Adoption and amendment of Supply Chain Management Policy	8
4. Delegation of supply chain management powers and duties	9
5. Sub-delegations	10
6. Oversight role of Council	12
7. Supply chain management unit	13
8. Training of supply chain management officials	13
<b>CHAPTER 2: FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT</b>	
9. Format of supply chain management	14
<b><i>Part 1: Demand management</i></b>	
10. System of demand management	14
<b><i>Part 2: Acquisition management</i></b>	
11. System of acquisition management	15

12.	Range of procurement processes	16
13.	General preconditions for consideration of written quotations or bids	17
14.	List of accredited prospective providers	19
15.	Petty cash purchases	19
16.	Written quotations	20
17.	Formal written price quotations	21
18.	Procedures for procuring goods or services through written quotations and formal written price quotations	21
19.	Competitive bidding process	23
20.	Procedure for competitive bidding	23
21.	Bid documentation for competitive bids	23
22.	Public invitation for competitive bids	25
23.	Procedure for handling, opening and recording of bids	26
24.	Negotiations with preferred bidders	28
25.	Two-stage bidding process	28
26.	Committee system for competitive bids	28
27.	Bid Specification Committees	29
28.	Bid Evaluation Committees	31
29.	Bid Adjudication Committees	32
30.	Procurement of banking services	34
31.	Procurement of IT-related goods or services	34
32.	Procurement of goods and services under contracts secured by other organs of State	35
33.	Procurement of goods necessitating special safety arrangements	35
34.	Proudly SA Campaign	36
35.	Appointment of consultants	36
36.	Deviation from, and ratification of minor breaches of procurement processes	37

37.	Unsolicited bids	39
38.	Combating of abuse of Supply Chain Management System	41
39.	Contract management	43
<b>40.</b>	<b><u>Performance Management</u></b>	<b><u>44</u></b>
<b><i>Part 3: Logistics, Disposal, Risk and Performance Management</i></b>		
4 <b><u>1</u></b> [0].	Logistics management	45
4 <b><u>2</u></b> [1].	Disposal management	46
4 <b><u>3</u></b> [2].	Risk management	48
<b>[43.</b>	<b>Performance management</b>	<b>49]</b>
44.	Performance monitoring	49
<b><i>Part 4: Other matters</i></b>		
45.	Prohibition on awards to persons whose tax matters are not in order	50
46.	Prohibition on awards to persons in the service of the State	50
47.	Awards to close family members of persons in the service of the State	51
48.	Ethical standards	51
49.	Inducements, rewards, gifts and favours to municipalities, officials and other role players	53
50.	Sponsorships	54
51.	Objections and complaints	54
52.	Resolution of disputes, objections, complaints and queries	54
53.	Contracts providing for compensation based on turnover	56
<b>54.</b>	<b><u>Construction Industry Development Board (CIDB)</u></b>	<b><u>56</u></b>
5 <b><u>5</u></b> [4].	Commencement	57
ANNEXURE A: National Treasury Code of Conduct		58

## DEFINITIONS

1. In this Policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act, No 56 of 2003, has the same meaning as in the Act, and -

**"Accounting Officer"** in relation to a Municipality means the municipal manager as described in Section 60 of the Local Government: Municipal Finance Management Act, No 56 of 2003.

**"Commercial value"** in relation to the sale or leasing of land or property relates to land or property which has a commercial value and can be sold or sub-let on a stand-alone basis and excludes small pockets of land such as small alley ways, erven or annexures which are only of value in relation to the adjoining properties or structures.

**"competitive bidding process"** means a competitive bidding process referred to in paragraph [section] 12 (1) (d) of this Policy;

**"consultants"** mean consulting firms, engineering firms, legal firms, construction managers, management firms, procurement agents, inspection agents, auditors, other multinational organisations, investment and merchant banks, universities, research agencies, government agencies, non-governmental (NGO's) and individuals.

**"competitive bid"** means a bid in terms of a competitive bidding process;

**"emergency"** means a serious, unexpected, unforeseen and potentially dangerous and damaging situation requiring immediate action and which is not due to a lack of planning.

**"final award"** in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

**"formal written price quotation"** means quotations referred to in paragraph [section] 12 (1)(c) of this Policy;

**“HDI”** means a historically disadvantaged person or persons as defined in Section 1 (h) of the Preferential Procurement Regulations, 2001, pertaining to the Preferential Procurement Policy Framework Act, No 5 of 2000.

**“in the service of the State”** means to be -

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any Municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

**“long-term contract”** means a contract with a duration period exceeding one year;

**“list of accredited prospective providers”** means the list of accredited prospective providers which a Municipality or municipal entity must keep in terms of **paragraph [section]** 14 of this Policy;

**“Municipality”** means the Municipality of Mossel Bay

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, No 32 of 2000.

**“other applicable legislation”** means any other legislation applicable to municipal supply chain management, including -

- (a) the Preferential Procurement Policy Framework Act, No. 5 of 2000;
- (b) the Construction Industry Development Board Act, Act No. 38 of 2000;

**“Provincial Treasury”** means the Treasury of the Western Cape Province.

**“Plight of the poor”** means the plight of a group of people or a section of a community where the majority of the households in a specific area qualify as indigent or poor in terms of the Municipality Consumer Care, Credit Control and Debt Collection Policy.

**“PPPFA”** means the Preferential Procurement Policy Framework Act, No 5 of 2000.

**“Regulations”** means the Local Government: Municipal Finance Management Act, 2003: Supply Chain Management Regulations (Notice 868 of 2000).

**“Senior Manager”** means a manager in the employment of the Mossel Bay Municipality who heads a directorate or sub-directorate or who reports to the municipal manager or a director or the head of a sub-directorate of the Municipality;

**“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

**“the Act”** means the Local Government: Municipal Finance Management Act, No 56 of 2003;

**“written quotations”** means quotations referred to in paragraph [section] 12(1)(b) of this Policy.



## CHAPTER 1

### ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

#### SUPPLY CHAIN MANAGEMENT POLICY

2. (1) The **MUNICIPALITY OF MOSSEL BAY** has resolved in terms of Section 111 of the Municipal Finance Management Act, No 56 of 2003, to have and implement a Supply Chain Management Policy that:
- (a) gives effect to –
    - (i) section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective;
  - (c) complies with -
    - (i) the regulatory framework prescribed in Chapter 2 of the Regulations; and
    - (ii) any minimum norms and standards that may be prescribed in terms of Section 168 of the Act;
  - (d) is consistent with other applicable legislation;
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of State in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
  - (g) assigns responsibility for the implementation of the policy to the Accounting Officer of the Municipality

- (h) in the absence of the Accounting Officer or if the Accounting Officer is impeded from doing his/her work assigns the responsibility for the implementation of the policy to the person acting in his stead or, alternatively, the Chief Financial Officer, subject to Sections 5(2) and 5(4) of the SCM Regulations.
- (2) The Municipality may not act otherwise than in accordance with this Supply Chain Management Policy when -
  - (a) procuring goods or services;
  - (b) disposing of goods no longer needed or which have become redundant;
  - (c) disposing or letting of fixed assets, including land, of proven commercial value no longer required for basic municipal service delivery purposes, subject to Sections 14 and 90 of the Act;
  - (d) selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
  - (e) selecting external mechanisms referred to in Section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in Section 83 of that Act.
- (3) Subparagraphs [sub-sections] (1) and (2) of this Policy do not apply in the circumstances described in Section 110 (2) of the Act, except where specifically provided otherwise in this Policy.

### **ADOPTION AND AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY**

- 3. (1) The Accounting Officer must -
  - (a) at least annually review this Policy and its implementation; and
  - (b) when the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Council.

- (2) **If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the Accounting Officer must -**
- (a) **Ensure that such proposed amendments comply with the Regulations;**
- (b) **[The Accounting Officer must r]**Report any deviation from this Policy to the National Treasury and the relevant Provincial Treasury.
- (3) When amending this Supply Chain Management Policy, the need for uniformity in supply chain practices, procedures and forms between organs of State in all spheres, particularly to promote accessibility of supply chain management systems for small businesses, must be taken into account.
- (4) The Accounting Officer must, in terms of section 62(1) (f) (iv) of the Act, take all reasonable steps to ensure that the Municipality has and implements this Supply Chain Management Policy.

#### **DELEGATION TO SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES**

4. (1) The authority and power to create a Supply Chain Management Unit within the Policy framework of Council, with such support structures as may be necessary to give effect to the provisions of this Policy and legislation, is granted to the Accounting Officer in terms of Sections 79, 106 and 115 of the Act and Section 66 of the Municipal Systems Act.
- (a) to discharge the supply chain management responsibilities conferred on Accounting Officers in terms of -
- (i) Chapter 8 or 10 of the Act; and
- (ii) the Supply Chain Management Policy;
- (b) to maximise administrative and operational efficiency in the implementation of the Supply Chain Management Policy; and

- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the Supply Chain Management Policy;
- (2) The Accounting Officer has the power to formulate such operational policies and procedures as may be necessary to give effect to the intentions of this Policy and enabling legislation. He/she may delegate his/her powers in writing to a member of the municipality's top management referred to in section 77 of the Act or any other official in terms of Section 79 of the Act in regard to supply chain management activities.
- (3) The Council or Accounting Officer may not delegate or sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality;
- (4) Paragraph [section] 4 (3) may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph [section] 26 of this Policy.

## SUB-DELEGATIONS

- 5. (1) The Accounting Officer may, in terms of Section 79 of the Act, sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph [sub-section] 5 [4] (2) and paragraph [section] 4 of this Policy.
- (2) The power to make a final award -
  - (a) above R10 million (VAT included) may not be sub-delegated by the Accounting Officer;
  - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to -

- (i) the Chief Financial Officer;
  - (ii) a Senior Manager; or
  - (iii) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
- (c) not exceeding R2 million (VAT included) may be sub-delegated but only to -
  - (i) the Chief Financial Officer;
  - (ii) a Senior Manager;
  - (iii) a Manager directly accountable to the Chief Financial Officer or a Senior Manager; or
  - (iv) a Bid Adjudication Committee.
- (3) An official or Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph [sub-section] 4 (2) of this Policy, must within five working days of the end of each month, submit to the official referred to in subparagraph [sub-section] 4 of this Policy a written report containing particulars of each final award **[above R30 000]** made by such official or committee during that month, including -
  - (a) the amount of the award;
  - (b) the name of the person to whom the award was made; and
  - (c) the reason why the award was made to that person.
  - (d) the HDI status of the supplier or the percentage equity held by HDI's if it is a company, closed corporation, partnership or joint venture.
- (4) A written report referred to in subparagraph [sub-section] [4]5(3) of this Policy must be submitted –
  - (a) to the Accounting Officer, in the case of an award by -
    - (i) the chief financial officer;**
    - (ii) a senior manager;**

- (iii[i]) a manager referred to in subparagraph [sub-section] 5 (2) (c) (iii) of this Policy; or
- (iv[iii]) a Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is not a member.

**(b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –**

- (i) a manager referred to in subparagraph 5(2)(c); or**
- (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.**

- (5) Subparagraph [Sub-section] 5 (3) and 5 (4) of this Policy do not apply to procurements out of petty cash.
- (6) This paragraph [section] may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph [section] 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

## **OVERSIGHT ROLE OF COUNCIL**

- 6. (1) The Council must maintain oversight over the implementation of this Supply Chain Management Policy.
- (2) For the purposes of such oversight the Accounting Officer must -
  - (i) within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the Municipality and of any municipal entity under its sole or shared control, to the Council of the Municipality; and
  - (ii) whenever there are serious and material problems in the implementation of the Supply Chain Management Policy, immediately submit a report to the Council.

- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.
- (4) The reports referred to in **paragraph [section] 6 (2)** must be made public in accordance with Section 21A of the Municipal Systems Act, No 32 of 2000.
- (5) No Councillor of the Municipality may be a member of any municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

#### **SUPPLY CHAIN MANAGEMENT UNIT**

- 7. (1) The Accounting Officer must establish a Supply Chain Management Unit and determine the terms of reference of the Unit to implement this Supply Chain Management Policy
- (2) The Supply Chain Management Unit shall operate as a centralised supply chain management function to administer and co-ordinate all the supply chain management activities and functions of the Municipality as described in this Policy unless a function or activity is specifically excluded by the Accounting Officer from the Unit's terms of reference.
- (3) The Supply Chain Management Unit will operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the Act.

#### **TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS**

- 8. The training of officials involved in implementing the Supply Chain Management Policy will be in accordance with any Treasury guidelines on supply chain management training.

## CHAPTER 2

### FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT

#### FORMAT OF SUPPLY CHAIN MANAGEMENT

9. This Supply Chain Management Policy provides systems for -

Part 1

- (i) demand management

Part 2

- (ii) acquisition management

Part 3

- (iii) logistics management  
(iv) disposal management  
(v) risk management  
(vi) performance management

PART 1

DEMAND MANAGEMENT

#### SYSTEM OF DEMAND MANAGEMENT

10. (1) The Accounting Officer must establish, through operational procedures, an effective system of demand management in order to ensure that the resources required to support the strategic and operational commitments are delivered at the correct time, at the right price and at the right location, and that the quantity and quality satisfy the needs.

(2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;



- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and**
- (c) provide for the compilation of the required specifications to ensure that its needs are met.**

PART 2  
ACQUISITION MANAGEMENT

**SYSTEM OF ACQUISITION MANAGEMENT**

- 11.** (1) The Accounting Officer must establish, through operational procedures, an effective system of acquisition management in order to ensure -
- (a) that goods and services are procured by the Municipality in accordance with authorised processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the Act;
  - (c) that the threshold values for the different procurement processes are complied with;
  - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
  - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) This Supply Chain Management Policy, except where provided otherwise in the Policy, does not apply in respect of the procurement of goods and services contemplated in Section 110(2) of the Act, including -
- (a) water from the Department of Water Affairs or a public entity, another Municipality or a municipal entity; and

- (b) electricity from Eskom or another public entity, another Municipality or a municipal entity.
- (3) The following information must be made public wherever goods or services contemplated in Section 110(2) of the Act are procured other than through the Supply Chain Management system -
  - (a) the kind of goods or services; and
  - (b) the name of the supplier.

## **RANGE OF PROCUREMENT PROCESSES**

- 12.** (1) The procurement of goods and services through this Policy is provided by way of -
- (a) petty cash purchases, up to a transaction value of R300, (VAT included), subject to the right of the Accounting Officer to increase the limit for petty cash purposes to R2 000 (VAT included).
  - (b) written quotations for procurements of a transaction value exceeding R300, **including VAT** and up to R30 000, including VAT.
  - (c) formal written price quotations for procurements of a transaction value exceeding R30 000 and up to R200 000 (VAT included); and
  - (d) a competitive bidding process for-
    - (i) procurements above a transaction value of R200 000 (VAT included); and
    - (ii) the procurement of long-term contracts.
- (2) The Accounting Officer may, in writing; -
- (a) lower, but not increase, the different threshold values specified in **subparagraph [sub-section] 12 (1)**; or

- (b) direct that -
  - (i) [written or verbal] quotations be obtained as per the Municipality's Expenditure Policy for any specific procurement of a transaction value lower than R300 (VAT included);
  - (ii) written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
  - (iii) formal written price quotations be obtained for any specific procurement of a transaction value exceeding R30 000 (VAT included) up to R200 000 (VAT included).
  - (iv) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000 (VAT included).
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the Policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

#### **GENERAL CONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS/BIDS**

- 13.** A formal written quotation or bid may not be considered unless the provider who submitted the quotation or bid -

- (a) has furnished that provider's -
  - (i) full name;
  - (ii) identification number or company or other registration number;
 and

- (iii) tax reference number and VAT registration number, if any;
- (b) In the case of transactions exceeding R30 000, including VAT:
- (i) a valid original Tax Clearance Certificate must accompany the bid documents unless the bidder is registered on the Accredited Supplier Database of the Municipality and the Municipality has a valid original Tax Clearance Certificate for the bidder on record. The onus is on the bidder to ensure that the Municipality has a **[n] valid** original Tax Clearance Certificate on record. If the South African Revenue Services (SARS) cannot provide a valid original Tax Clearance Certificate; the bidder must submit a letter from SARS on an original SARS letterhead that their tax matters are in order.
  - (ii) If the bid of the preferred bidder is not supported by a valid original Tax Clearance Certificate, either as an attachment to the bid documents or on record in the case of suppliers registered on the Supplier Database of the Municipality, the Municipality reserves the right to obtain such document, within a time as specified by the Municipality, after the closing date to verify that the bidder's tax matters are in order. If no such document can be obtained, the bid will be disqualified; and
- (c) has indicated -
- (i) whether he or she is in the service of the State, or has been in the service of the State in the previous twelve months;
  - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the State, or has been in the service of the State in the previous twelve months; or
  - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in **subparagraph [sub-section]** (ii) is in the service of the State, or has been in the service of the State in the previous twelve months.

## LIST OF ACCREDITED PROSPECTIVE PROVIDERS

### 14 (1) The Accounting Officer must -

- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements of the Municipality through written quotations and formal written price quotations; and
  - (b) at least once a year, through newspapers commonly circulating locally, the Municipality's website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - (c) specify the listing criteria for accredited prospective providers; and
  - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

## PETTY CASH PURCHASES

15. (1) The Municipality's Expenditure Policy, as approved by the Accounting Officer, shall be applicable to all purchases not exceeding R300, including VAT, or such amount up to R2 000 **(VAT included)** as determined by the Accounting Officer in terms of this Policy, or such other amount as may be legislated from time to time.
- (2) The **[Petty Cash] Expenditure** Policy must include conditions **for petty cash purchases** -

- (a) determining the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
- (b) limiting the number of petty cash purchases or the maximum amounts per month for each manager;
- (c) excluding any types of expenditure from petty cash purchases, where this is considered necessary; **[and]**
- (d) requiring monthly reconciliation reports from each manager to the Chief Financial Officer, including -
  - (i) the total amount of petty cash purchases for that month; and
  - (ii) receipts and appropriate documents for each purchase; **and**
- (e) only one quotation has to be obtained when procuring goods or services to a value of less than the petty cash threshold.**

## WRITTEN QUOTATIONS

- 16.** The Accounting Officer must establish the conditions for the procurement of goods or services through written quotations, which must include conditions stating
- (a) that quotations must be obtained from at least three different providers, preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria as envisaged in **subparagraphs [sub-sections]** 14 (1) (c) and (d) of this Policy;
  - (b) that, to the extent feasible, providers must be requested to submit such quotation in writing;
  - (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;

- (d) that the names of the potential providers requested to provide such quotations must be recorded together with their quoted prices

## **FORMAL WRITTEN PRICE QUOTATIONS**

17. (1) The Accounting Officer must establish the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating
  - (a) that quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Municipality or municipal entity;
  - (b) that quotations may be obtained from providers who are not listed on the Municipality's Supplier Database, provided that such providers meet the listing criteria as envisaged in **subparagraphs [sub-sections] 14 (1) (c) and (d)** of this Policy;
  - (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer, and
  - (d) that the Accounting Officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in **subparagraph [sub-section] 5(1)(c)** must within **three [five]** working days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that **subparagraph [sub-section]**.

## **PROCEDURES FOR PROCURING GOODS/SERVICES THROUGH WRITTEN QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS**

18. When goods or services are procured through written and formal written price quotations the following will apply -

- (a) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of **paragraph [section] 17**, be advertised for at least seven (7) days on the website and an official notice board of the Municipality;
- (b) when using the list of accredited prospective providers the ongoing competition amongst providers must be promoted, including by inviting providers to submit quotations on a rotation basis;
- (c) **offers received must be evaluated on a comparative basis taking into account unconditional discounts;**
- (d) **offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;**
- (e) **acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;**
- (f)** all reasonable steps must be taken to ensure that the procurement of goods and services through written quotations or formal written price quotations is not abused;
- (g)** the Accounting Officer or his/her delegated authority must, on a monthly basis, be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
- (h) proper records of all bid documents and related correspondence must be kept; and
- (i) a lockable safe tender box must be kept at the main municipal buildings in which quotations and/or tender or bid documents can be deposited 24 hours a day, seven days a week.



## COMPETITIVE BIDDING PROCESS

19. (1) Goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to **paragraph [section] 11(2)** of this Policy; and
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

## PROCEDURE FOR COMPETITIVE BIDDING

20. The Accounting Officer must establish procedures for the competitive bidding process for each of the following stages:
  - (a) the compilation of bidding documentation;
  - (b) the public invitation of bids;
  - (c) site meetings or briefing sessions, if applicable;
  - (d) the handling of bids submitted in response to public invitation;
  - (e) the evaluation of bids;
  - (f) the award of contracts;
  - (g) the administration of contracts; and
  - (h) proper record keeping.

## BID DOCUMENTATION FOR COMPETITIVE BIDS

21. The Municipality's bid documentation must, in addition to the requirements stated in **paragraph [section] 13** of this Policy -

- (a) take into account -
  - (i) the general conditions of contract **and any special conditions of contract, if specified;**
  - (ii) any Treasury guidelines on bid documentation; and
  - (iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the tender is submitted;
- (d) compel bidders to declare their previous supply chain management practices and state whether or not they
  - (i) have been found guilty by a Court of Law or a structure established by Council or the Accounting Officer for handling alleged abuses of the Municipality or the municipal entity's supply chain management system or committed any improper conduct in relation to such a system.
  - (ii) have been convicted for fraud or corruption during the past five years
  - (iii) have wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years
  - (iv) have been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.
- (e) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish -

- (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements -
  - (aa) for the past three years; or
  - (bb) since their establishment if established during the past three years;
- (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 days;
- (iii) particulars of any contracts awarded to the bidder by an organ of State during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the Municipality is expected to be transferred out of the Republic; and

(**elf**) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African Court of Law.

## **PUBLIC INVITATION FOR COMPETITIVE BIDS**

**22.** The Accounting Officer must determine the procedure for the invitation of competitive bids, which must stipulate that:

- (1) (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Municipality or any other appropriate way (which may include an advertisement in the Government Tender Bulletin); and
- (b) The information contained in a public advertisement, must include -

- (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to **subparagraph [sub-section]** 22(3) of this Policy; and
  - (ii) a statement that bids may only be submitted on the bid documentation provided by the Municipality.
- (2) Advertisements that are placed in the newspaper that circulates commonly are not deemed to be a deviation of the SCM process.
- [(3) Bids that are advertised on the CIDB's website do not have to be advertised in the newspaper that is commonly circulating locally.]**
- (3[4])** The Accounting Officer or his delegate may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (4[5])** Bids submitted must be sealed.
- (5[6])** Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

## **PROCEDURE FOR HANDLING, OPENING AND RECORDING OF BIDS**

- 23. (1) The Accounting Officer must determine the procedure for the handling, opening and recording of bids, which must stipulate that
  - (a) bids **[must be]**
    - (i) **must be** opened only in public; **[and]**
    - (ii) **must be** opened simultaneously and as soon as possible after the period for the submission of bids has expired; **and**

**(iii) received after the closing time should not be considered and must be returned.**

- (b) any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical as well as subject to confidentiality or competitive considerations, also each bidder's total bidding price;
- (c) bids that are received after the closing time will be marked late with an official stamp with the time at which it was received. The bidder will be notified of the action and **[where feasible,]** the bid returned;
- (d) only bids that have been placed in the Municipality's tender box or received and recorded at the Municipality's documentation centre will be regarded as having been received on time;

**(e) Bids that are received late will not be considered.**

- (2) (a) a register must be kept in which all bids received in time are recorded;
- (b) the register must reflect the bid closing date, date and time of opening the bids, name and title of persons opening the bids together with their signatures and an indication as to whether any late submissions were received;
- (c) the register must be signed by the user department in evidence of receiving the bid documents;
- (d) the register must be available for public inspection; and
- (e) the bid results must be published on the Municipality's website.

## **NEGOTIATIONS WITH PREFERRED BIDDERS**

- 24.** (1) The Accounting Officer or his delegate may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation -
- (a) do not allow any preferred bidder a second or unfair opportunity;
  - (b) are not to the detriment of any other bidder; and
  - (c) do not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

## **TWO-STAGE BIDDING PROCESS**

- 25.** (1) A two-stage bidding process is allowed for -
- (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long-term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

## **COMMITTEE SYSTEM FOR COMPETITIVE BIDS**

- 26.** (1) The Accounting Officer is required to -

- (a) establish a committee system for competitive bids consisting of at least a -
    - (i) Bid Specification Committee;
    - (ii) Bid Evaluation Committee; and
    - (iii) Bid Adjudication Committee;
  - (b) appoint the members of the Bid Adjudication Committee, taking into account Section 117 of the Act; and
  - (c) delegate the authority to appoint members of the other committees on an ad hoc basis to a senior manager as defined in **paragraph [section] 1** of this Policy.
  - (d) provide for an attendance or oversight process by a neutral or independent observer, appointed by the Accounting Officer, when this is appropriate for ensuring fairness and promoting transparency.
- (2) The committee system must be consistent with -
    - (a) **paragraphs [sections] 27, 28 and 29** of this Policy; and
    - (b) any other applicable legislation.
  - (3) The Accounting Officer may apply the committee system to formal written price quotations.
  - (4) All Committee proceedings must be duly minuted and attendance registers personally signed by all those present. These records must be filed with all other documentation relating to the relevant bid or quotation.

## **BID SPECIFICATION COMMITTEES**

- 27. (1) The Accounting Officer or his/her delegate must appoint a Bid Specification Committee on an ad hoc basis to compile the specifications for each procurement of goods or services by the Municipality.

## (2) Specifications -

- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c) must where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the words “equivalent”;
- (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2001; and
- (g) must be approved by the Accounting Officer or Chairperson of the Bid Specification Committee prior to publication of the Invitation for bids in terms of paragraph [section] 22 of this Policy.

## (3) The Bid Specification Committee must be composed of –

- (a) the director and one or more official from the department requiring the goods or services;



- (b) at least one Supply Chain Management Practitioner of the Municipality; and
  - (c) may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the Bid Specification Committee, or a director of such a corporate entity, may bid for any resulting contracts.

## **BID EVALUATION COMMITTEES**

- 28.** (1) The Accounting Officer or his/her delegate appoints the Bid Evaluation Committee on an ad hoc basis to -
- (a) evaluate bids in accordance with -
    - (i) the specifications for a specific procurement; and
    - (ii) the points system set out in terms of the Preferential Procurement Regulations, 2001, and such other legislation as may be applicable.
  - (b) evaluate each bidder's ability to execute the contract;
  - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
  - (d) submit to the Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) The Bid Evaluation Committee must as far as possible be composed of -
- (a) a senior manager;
  - (b) officials from departments requiring the goods or services; and
  - (c) at least one Supply Chain Management Practitioner of the Municipality.

## BID ADJUDICATION COMMITTEES

29. (1) The Bid Adjudication Committee, to be appointed as a Standing Committee by the Accounting Officer must -
- (a) consider the report and recommendations of the Bid Evaluation Committee; and either
    - (i) depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
    - (ii) make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- (2) The Bid Adjudication Committee must consist of at least four senior managers of the Municipality and must include -
- (i) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer;
  - (ii) directors of the Municipality;
  - (iii) the Head: Expenditure of the Municipality;
  - (iv) at least one Senior Supply Chain Management practitioner who is an official of the Municipality; and
  - (v) if deemed necessary and appointed in writing by the Accounting Officer for a specific tender an internal technical expert in the relevant field if such an expert is available.
- (3) The Accounting Officer must appoint the chairperson of the Bid Adjudication Committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- [(4) No person, advisor or corporate identity involved with the Bid Specification Committee, or a director of such a corporate entity, may bid for any resulting contracts.]**

- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.**
- (5) (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must, prior to awarding the bid -
- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
  - (ii) notify the Accounting Officer.
- (b) The Accounting Officer may -
- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in **paragraph [section] 5 (a)**; and
  - (ii) if the decision of the Bid Adjudication Committee is rejected, refer the decision back to that committee for reconsideration.
- (6) The Accounting Officer may, at any stage of a bidding process, refer any recommendation made by the Evaluation Committee or the Adjudication Committee back to that committee for reconsideration of the recommendation.
- (7) As required by Section 114 of the Act, if a tender other than the one recommended in the normal course of implementing this Policy is approved, the Accounting Officer must, in writing, notify the Auditor-General, the Provincial Treasury and the National Treasury of the reasons for deviating from such recommendation. This does not apply if a different tender was approved in order to rectify the irregularity. **The accounting officer must comply with section 114 of the Act within 10 working days.**
- (8) Only the Accounting Officer or directors of the municipality may cancel a bid. A written memorandum must be submitted to SCM clearly stating the reasons for the cancellation.

- (9) All cancellations of tenders must be reported to the Bid Adjudication Committee in writing.

## **PROCUREMENT OF BANKING SERVICES**

- 30. (1) Banking services -
  - (a) must be procured through competitive bids;
  - (b) must be consistent with Section 7 or 85 of the Act; and
  - (c) must be for a period of five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of **paragraph [section] 22 (1)**. Bids must be restricted to banks registered in terms of the Banks Act, No. 94 of 1990.

## **PROCUREMENT OF IT-RELATED GOODS OR SERVICES**

- 31. (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT-related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if -
  - (a) the transaction value of IT-related goods or services required in any financial year will exceed R50 million (VAT included); or
  - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

- (4) If a SITA comment on the submission and the Municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to Council, the National Treasury, the Provincial Treasury and the Auditor General.

## **PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE**

- 32.** (1) Goods or services may be procured under contract secured by another organ of State, but only if -
- (a) the contract has been secured by that other organ of State by means of a competitive bidding process applicable to that organ of State;
  - (b) there is no reason to believe that such contract was not validly procured;
  - (c) there are demonstrable discounts or benefits to do so; and
  - (d) that the other organ of State and the provider have consented to such procurement in writing.
- (2) **Subparagraphs [Sub-sections]** (1) (c) and (d) do not apply if -
- (a) a municipal entity of the Municipality procures goods or services through a contract secured by the Municipality; or
  - (b) the Municipality as the parent Municipality procures goods or services through a contract secured by the entity.

## **PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS**

- 33.** (1) The acquisition and storage of goods in bulk (other than water) which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

## **PROUDLY SOUTH AFRICA CAMPAIGN**

34. The Municipality supports the Proudly SA Campaign in its procurement of goods and services to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly, suppliers and businesses within the municipal district of Mossel Bay;
- Secondly, suppliers and businesses within the Eden District Municipal area
- Thirdly, suppliers and businesses within the Western Cape province
- Fourthly, suppliers and businesses within the rest of the Republic of South Africa

## **APPOINTMENT OF CONSULTANTS**

35. (1) Consulting services may be procured provided that any Treasury guidelines as attached in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services as defined in the attached Treasury Guidelines must be procured through competitive bids if -
- (a) the value of the contract exceeds R200 000 (VAT included); or
  - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this Policy for competitive bids, bidders must furnish particulars of -

- (a) all consultancy services provided to an organ of State in the last five years; and
  - (b) any similar consultancy services provided to an organ of State in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.
- (5) Measures to ensure that consultancy assignments are executed in such a way that the ethical principles of the relevant profession are met at all times must be imposed.

This includes ensuring that advice received is unbiased, i.e. free from any affiliation, economic or otherwise, which may cause conflict between the consultant's interest and those of the Municipality.

## **DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES**

- 36.** (1) The Accounting Officer or a senior official of the Municipality to whom the Accounting Officer has delegated the authority in writing may -
- (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only -
    - (i) in an emergency as defined in **paragraph [section] 1** of this Policy;
    - (ii) if such goods or services are produced or available from a single provider only;
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

- (iv) acquisition of animals for zoos and/or nature and game reserves; or
  - (v) if such goods or services have already been acquired by the Municipality from a specific supplier or service provider and subsequent maintenance, amendments, or modifications by other suppliers or service providers are prohibited, restricted or impossible because of guarantee, legal, licensing or such other requirements, or it will be impractical or uneconomical to acquire additional similar goods or services from another supplier or service provider; or
  - (vi) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
  - (vii) in any Expanded Public Works Programme (EPWP) learnership projects which have been identified and registered as such.
- (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of **subparagraphs [sub-sections]** 36 (1) (a) and (b) above and report them to the next meeting of the Council and include as a note to the annual financial statements.
- (3) **Subparagraph [Sub-section]** 36 (2) does not apply to the procurement of goods and services contemplated in **paragraph [section]** 11(2) of this Policy.
- (4) In case of emergencies, the following procedure should be followed:
  - (i) telephonic approval should be obtained from the SCM unit as well as the Director of the department requiring the goods or services;
  - (ii) written recommendations must be obtained within 3 (three) working days from SCM as well as the relevant Director; and



- (iii) final approval has to be obtained from the Accounting Officer, before an order will be issued.
- (5) The following will be deemed not to be deviations from SCM processes:
  - (i) Advertisements that are placed in the newspaper that is commonly circulated.
  - (ii) Advertisements that are placed in National Government and Provincial Government Gazettes.
  - (iii) The acquisition of services of attorneys, advocates and labour relations practitioners subject thereto that the acquisition of such services be dealt within terms of the Municipality's Delegation of Powers and Duties as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures.
  - (iv) The acquisition of accommodation and air travel for official purposes subject thereto that the acquisition of such services be dealt within terms of the Municipality's Payment of Travel and Subsistence for Councillors and Officials Policy as amended from time to time as well as in terms of the Municipality's Delegation of Powers and Duties as amended from time to time.
  - (v) The procurement of fuel from any recognised Fuel Company and their depots, except when fuel is procured for the Municipal Depot.
  - (vi) Vehicles serviced by the agent in terms of the warranty or service plan of the vehicle.

## UNSOLICITED BIDS

- 37.** (1) In accordance with Section 113 of the Act the Municipality has no obligation to consider unsolicited bids received outside a normal bidding process.

- (2) The Accounting Officer may, however, decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if -
  - (a) the product or service or proposal offered in terms of the bid is a demonstrably or proven unique, innovative or valuable concept; and/or
  - (b) the product or service or proposal will be exceptionally beneficial, or have exceptional cost advantages to the Municipality;
  - (c) the bidder who made the bid is the sole provider of the product or service or is the only proposer of the concept; and
  - (d) the reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
  
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph [sub-section] 37 (2) of this Policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with -
  - (a) reasons as to why the bid should not be open to other competitors;
  - (b) an explanation of the potential benefits if the unsolicited bid is accepted; and
  - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
  
- (4) All written comments received pursuant to subparagraph [sub-section] 37 (3), including any responses from the unsolicited bidder, must be submitted to the National Treasury and the relevant Provincial Treasury for comment.
  
- (5) The Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

- (6) A meeting of the Adjudication Committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the Adjudication Committee must take into account -
  - (a) any comments submitted by the public; and
  - (b) any written comments and recommendations of the National Treasury or the Provincial Treasury.
- (8) If any recommendations of the National Treasury or the Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 days of the submission.
- (10) Unsolicited bids for the purchase and/or development or renting of municipal land or fixed property of commercial value as defined in **paragraph [section] 1** of this Policy will not be considered.

## **COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM**

- 38.** (1) The Accounting Officer must
  - (a) take all reasonable steps to prevent abuse of the Supply Chain Management System;
  - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Supply Chain Management Policy, and when justified

- (i) take appropriate steps against such official or other role player;  
or
  - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder -
  - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other Municipality or municipal entity, are in arrears for more than three months ; or
  - (ii) who, during the last five years, has failed to perform satisfactorily on a previous contract with the Municipality; or any other organ of State after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- (f) cancel a contract awarded to a person if -
  - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
  - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors -
  - (i) has been found guilty by a Court of Law or a structure established by Council or the Accounting Officer for investigating or the arbitration of related to abuses of the Supply Chain Management System of the Municipality or has committed any improper conduct in relation to such system;

- (ii) has been convicted for fraud or corruption during the past five years;
  - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - (iv) has been listed in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.
- (2) The Accounting Officer must inform the National Treasury and the Provincial Treasury in writing of any actions taken in terms of **subparagraphs [sub-sections] 38 (1)(b)(ii), (e) or (f) above.**

### 39. CONTRACT MANAGEMENT

- (1) All contracts entered into by the Municipality in the tender process referred to in **paragraph [section] 19** of this Policy must -
- (a) be in writing;
  - (b) **stipulate the terms and conditions of the contract or agreement, which must include provisions providing for –**
    - (i) **the termination of the contract or agreement in the case of non- or under-performance;**
    - (ii) **dispute resolution mechanisms to settle disputes between parties;**
    - (iii) **a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and**
    - (iv) **any other matter that may be prescribed.**
  - (c) **include the General Conditions of Contract as prescribed by National Treasury.**
  - (d[b]) specify the duration of the contract;
  - (e[c]) specify the payment terms in respect of the goods or service supplied;
  - (f[d]) be monitored by the Directorate of the Municipality which requested the goods or service to ensure that all the contract requirements are met.

- (2) Unauthorised deviations or breaches of the contract as in paragraph [section] 39 (1) (d) above by the supplier or service provider must be reported to the Head: Legal Services for initiating appropriate action as well as to the SCM Unit which must enter the details in a register for the recording of such deviations and breaches.
- (3) Copies must be made of original signed contracts entered into in the course of the implementation of this Policy and the original document must be forwarded to the SCM Unit for safekeeping or filing in the Documentation Centre of the Municipality together with the bid committee documentation related to the contract.

## PERFORMANCE MANAGEMENT

40 (1) The head of the municipal department which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.

(2) In the case of non-performance or unsatisfactory performance by a supplier, the department concerned must give notice to the supplier or service provider in writing and by registered mail to comply with the contract terms failing which

(i) the contract may be cancelled and the supplier be held responsible for damages or costs which the Municipality may incur because of the non-performance

(ii) penalties as specified in the contract or agreement with the supplier or service provider may be invoked.

(3) In the case of goods and services supplied in response to a quotation invited by the Municipality the head of the client department or section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in

accordance with the Municipality's requirements before payment is made.

(4) In the case of goods or services procured through a tender process as specified in terms of paragraph 19 of this Policy, the head or section of the relevant department must within a 30 (thirty) working days of the final delivery of the required work submit a written report to the Head of Supply Chain Management on the performance of the supplier.

(5) The report must state -

(a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules, product or service quality and quality of workmanship;

(b) include details, supported by copies of any written notifications regarding service delivery given to the supplier.

(c) include a recommendation on any further action to be taken against the supplier in terms of paragraph [section] 38 of this Policy.

### PART 3

## LOGISTICS, DISPOSAL AND RISK MANAGEMENT AND PERFORMANCE MONITORING [MANAGEMENT]

### **LOGISTICS MANAGEMENT**

- 41[0]. The Accounting Officer must establish an effective system of logistics management which must include – [in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.]
- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved, certification by the responsible delegated employee that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

## DISPOSAL MANAGEMENT

**42[1].** The Accounting Officer must establish an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, immovable property, subject to Sections 14 and 90 of the Act, which must stipulate the following:

The disposal of assets must -

- (a) be by one of the following methods -
  - (i) transferring the asset to another organ of State in terms of a provision of the Act enabling the transfer of assets;
  - (ii) transferring the asset to another organ of State at market - related value or, when appropriate, free of charge;
  - (iii) selling the asset by way of an auction or a competitive bidding process; or



- (iv) destroying the asset;
- (b) provided that -
  - (i) immovable property may be sold only at market-related prices except when the public interest or the plight of the poor demands otherwise;
  - (ii) movable as well as immovable assets may be sold at market-related prices either by way of written price quotations, a competitive bidding process or auction, whichever is the most advantageous;
  - (iii) in the case of the free disposal of computer equipment, the Provincial Department of Education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment; and
  - (iv) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;
- (c) furthermore ensure that -
  - (i) immovable property is let at market-related rates except when the public interest or the plight of the poor demands otherwise; and
  - (ii) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
- (d) ensure that where assets are traded in for other assets, the highest possible trade-in price is negotiated.

## RISK MANAGEMENT

- 43[2].** (1) The Accounting Officer must establish an effective system of risk management for the identification, consideration and avoidance of potential risks in the Supply Chain Management system.
- (2) Risk management must include -
- (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;
  - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
  - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
  - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

## [PERFORMANCE MANAGEMENT

- 43** (1) **The head of the municipal department which required the goods or a service in terms of a competitive bidding process must ensure that the goods had been delivered or the service completed according to the Municipality's quality and other requirements as specified in the relevant bid documentation.**
- (2) **In the case of non-performance or unsatisfactory performance by a supplier, the department concerned must give notice to the supplier or service provider in writing and by registered mail to comply with the contract terms failing which**
- (i) the contract may be cancelled and the supplier be held responsible for damages or costs which the Municipality may incur because of the non-performance**

(ii) penalties as specified in the contract or agreement with the supplier or service provider may be invoked.

(3) In the case of goods and services supplied in response to a quotation invited by the Municipality the head of the client department or section of the Municipality which requested the goods or service must certify on the supplier's invoice that the goods or service had been supplied in accordance with the Municipality's requirements before payment is made.

(4) In the case of goods or services procured through a tender process as specified in terms of paragraph [section] 19 of this Policy, the head or section of the relevant department must within a 30 (thirty) working days of the final delivery of the required work submit a written report to the Head of Supply Chain Management on the performance of the supplier.

(5) The report must state

(a) whether or not the performance of the supplier was satisfactory in terms of adherence to specifications and delivery or completion schedules, product or service quality and quality of workmanship;

(b) include details, supported by copies of any written notifications regarding service delivery given to the supplier.

(c) include a recommendation on any further action to be taken against the supplier in terms of paragraph [section] 38 of this Policy.]

## PERFORMANCE MONITORING

44. (1) The Accounting Officer must establish an effective internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the desired objectives were achieved.

(2) Issues to be reviewed include:

- Compliance to norms and standards;
- Cost-efficiency of the supply chain management process; and
- Whether supply chain practices are consistent with the Government's broader policy focus.

#### PART 4

#### OTHER MATTERS

### **PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER**

45. (1) The Accounting Officer must ensure that, irrespective of the procurement process followed, no award above R30 000 **(VAT included)** is given to a person whose tax matters have not been declared by the South African Revenue Service (SARS) to be in order.

### **PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE**

46. (1) No award may be given to a person -
- (a) who is in the service of the State; or
  - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the State; or
  - (c) who is an advisor or consultant contracted with the Municipality or municipal entity.

## **AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE**

47. The notes to the annual financial statements must disclose particulars of any award of more than R2 000 **(VAT included)** to a person who is a spouse, child or parent of a person in the service of the State, or has been in the service of the State in the previous twelve months, including -
- (a) the name of that person;
  - (b) the capacity in which that person is in the service of the State; and
  - (c) the amount of the award.

## **ETHICAL STANDARDS**

48. (1) A code of ethical standards is hereby established for officials and other role players in the Supply Chain Management System in order to promote -
- (a) mutual trust and respect; and
  - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of the Supply Chain Management Policy:
- (a) must treat all providers and potential providers equitably;
  - (b) may not use his or her position for private gain or to improperly benefit another person;
  - (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350 **(VAT included)**;
  - (d) notwithstanding **subparagraph [sub-section] 48(2)(c)**, must declare to the Accounting Officer details of any reward, gift, favour, hospitality

or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

- (e) must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
  - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - (g) must be scrupulous in his or her use of property belonging to the Municipality;
  - (h) must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
  - (i) must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
    - (i) any alleged fraud, corruption, favouritism or unfair conduct;
    - (ii) any alleged contravention of **paragraph [section]** 49(1) of this Policy; or
    - (iii) any alleged breach of this code of ethical standards.
- (3) Declarations in terms of **subparagraph [sub-section]** 49 (2) (d) and (e) -
- (a) must be recorded in a register which the Accounting Officer must keep for this purpose;
  - (b) by the Accounting Officer must be made to the Mayor of the Municipality who must ensure that such declarations are recorded in the register.

- (4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
- (5) The National Treasury Code of Conduct for Supply Management Practitioners, attached as Annexure A, is adopted by the Municipality and shall apply mutatis mutandis to and be binding on supply chain management practitioners and other role players involved in the supply chain management of the Municipality.
- (6) A breach of the code of conduct adopted by the Municipality must be dealt with in accordance with Schedule 1 (Code of Conduct for Councillors) and Schedule 2 (Code of Conduct for Municipal Staff Members) of the Municipal Systems Act, No 32 of 2000.

#### **INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS**

- 49.** (1) No person who is a provider or prospective provider of goods or services, or recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
- (a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
  - (b) any reward, gift, favour or hospitality to -
    - (i) any official; or
    - (ii) any other role player involved in the implementation of the Supply Chain Management Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of **subparagraph [sub-section]** 49(1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National

Treasury's database of persons prohibited from doing business with the Public Sector.

- (3) **Subparagraph [Sub-section]** 49(1) does not apply to gifts less than R350 **(VAT included)** in value.

## **SPONSORSHIPS**

- 50.** The Accounting Officer must promptly disclose to the National Treasury and the Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is -

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

## **OBJECTIONS AND COMPLAINTS**

- 51.** Persons aggrieved by decisions or actions taken in the implementation of this Supply Chain Management policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

## **RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES**

- 52.** (1) The Accounting Officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes -

- (a) to assist in the resolution of disputes between the Municipality and other persons regarding –
  - (i) any decisions or actions taken in the implementation of the Supply Chain Management system; or



- (ii) any matter arising from a contract awarded in the course of the Supply Chain Management system; or
  - (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) An entity under the sole or shared control of the Municipality may for purposes of **subparagraph [sub-section] 52 (1)** appoint the same person.
- (3) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (4) The person appointed must -
  - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (5) A dispute, objection, complaint or query may be referred to the relevant Provincial Treasury if -
  - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
  - (b) no response is forthcoming within 60 days.
- (6) If the Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (7) This **paragraph [section]** must not be read as affecting a person's rights to approach a court at any time.

## CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

53. If a service provider acts on behalf of a Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate -

- (a) a cap on the compensation payable to the service provider; and
- (b) that such compensation must be performance based.

## CONSTRUCTION INDUSTRY DEVELOPMENT BOARD

54. The Construction Industry Development Board (CIDB) has been established by government to promote the uniform application of policy to the construction industry.

(1) When calling for construction related bids -

- (i) the prescribed CIDB (uniformity standard bid documents) must be utilised;
- (ii) only Contractors registered with the CIDB may be used;
- (iv) all projects must be advertised on the CIDB i-tender system;
- (v) consultants used in the procurement process must adhere to the CIDB legislation;
- (vi) consultants used in the procurement process are prohibited to provide goods, works or services related to the project; and
- (vii) subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements.

(2) When evaluating construction related bids -

- (i) the validity of the contractor's registration on the CIDB website must be verified;
- (ii) the bidder's documents must be assessed against the prescribed CIDB contractor requirements; and
- (iii) calculations for joint venture gradings must be done according to the CIDB prescriptions.

**(3) Other matters -**

- (i) all projects approved by the Municipality must be registered with the CIDB;**
- (ii) contracts registered on the i-tender systems must be updated and completed; and**
- (iv) non-performance and non-compliance of contractors must be reported to the CIDB as per CIDB guidelines.**

**COMMENCEMENT**

**55[4].** This revised policy takes effect on 9 December 2010.

oooOOOooo

**ANNEXURE A****Mossel Bay Municipality  
SUPPLY CHAIN MANAGEMENT POLICY****NATIONAL TREASURY CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT  
PRACTITIONERS**

In accordance with the Regulations for Supply Chain Management issued in terms of section 168 of the Municipal Finance Management Act, 2003 (MFMA), National Treasury is required to issue a Code of Conduct for Supply Chain Management Practitioners that should be adhered to by all officials and other role players involved in supply chain management. The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

**1. General Principles**

The Government of South Africa commits itself to a policy of fair dealing and integrity in the conducting of its business. The position of a supply chain management (SCM) practitioner is, therefore, a position of trust, implying a duty to act in the public interest. Practitioners should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

Practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and National Treasury Regulations and Guidelines. They should ensure that public resources are administered responsibly.

Practitioners should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

## 2. Conflict of interest

An official or other role player involved with supply chain management

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) must declare to the accounting officer details of any reward, gift favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality or municipal entity;
- (f) must immediately withdraw from participating. in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

### 3. Accountability

- Practitioners are accountable for their decisions and actions to the public.
- Practitioners should use public property scrupulously. Only accounting officers or their delegates have the authority to commit the government to any transaction for the procurement of goods and/or services.
- All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
  - (i) any alleged fraud, corruption, favouritism or unfair conduct;
  - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and any alleged breach of this code of conduct.
  - (iii) Any declarations made must be recorded in a register that the accounting officer must keep for this purpose.

### 4. Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

## 5. Confidentiality

- Any information that is the property of the government or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- Matters of confidential nature in the possession of supply chain practitioners should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions should also apply after separation from service.

## 6. Bid Evaluation / Adjudication Committees

Bid evaluation / adjudication committees should regulate supply chain management on behalf of the institution in an honest, fair, impartial, transparent, cost-effective and accountable manner in accordance with the Accounting Officer's directives/delegated powers.

The evaluation / adjudication committee may be authorized to deal with all supply chain management matters and finalise bids/price quotations in accordance with the directives/delegated powers of the accounting officer.

Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

All members of bid adjudication committees should be cleared at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

No person should interfere with the supply chain management system on an institution; or amend or tamper with any bid after its submission.

## **7. Combative Practices**

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in bids;
- (iv) Soliciting bids from bidders whose names appear on the National Treasury's database of persons prohibited from doing business with the public sector.

oooOOOooo





# **ANNEXURE C**

## **2011/12 MTREF DRAFT DETAILED CAPITAL BUDGET**

Mossel Bay Municipality

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
	<b>A: MUNICIPAL MANAGER</b>										
<b>A1</b>	<b>MUNICIPAL MANAGER:ADMIN</b>										
1	Municipal Manager :Admin	Replacement of the Mayor's Vehicle-CBS 1	17		0	0	500,000	0	0	0	G&C3.3.1
2	Municipal Manager :Admin	Shelter for the homeless	16		1,500,000	0	0	0	0	0	CEH3.4.1
					1,500,000	0	500,000	0	0	0	
<b>A2</b>	<b>COUNCIL GENENRAL</b>										
1	Council General	Vehicle Management System	17		11,800	0	0	0	0	0	G&C3.3.1
	<b>Total: Municipal Manager</b>				<b>1,511,800</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>B: CORPORATE SERVICES</b>										
<b>B1</b>	<b>CORPORATE SERVICES: ADMINISTRATION</b>										
1	Support Services	Extension of clock system	17		0	0	200,000	0	0	0	G&C3.3.1
2	Support Services	Furniture, Tools & Equipment	17		18,000	0	20,000	0	20,000	0	G&C3.3.1
3	Support Services	2x Scanners for the bags: Municipal Offices Marsh Street	17		0	0	300,000	0	300,000	0	G&C3.3.1
4	Support Services	Vehicle Management System	17		21,000	0	0	0	0	0	G&C3.3.1
5	Support Services	Laptop	17	Leases	0	0	0	20,000	0	0	G&C3.3.1
6	Support Services	High Volume Photocopy Machine	17		0	0	0	0	320,000	0	G&C3.3.1
					39,000	0	520,000	20,000	640,000	0	
<b>B2</b>	<b>HUMAN RESOURCES</b>										
1	Human Resources	Vehicle : Human Resources	17		120,000	0	0	0	0	0	G&C3.3.1
2	Human Resources	Furniture, Tools & Equipment	17		13,000	0	23,300	0	32,600	0	G&C3.3.1
3	Human Resources	Vehicle Management System	17		5,900	0	0	0	0	0	G&C3.3.1
4	Human Resources	Laptop	17	Leases	0	0	0	0	0	20,000	G&C3.3.1
					138,900	0	23,300	0	32,600	20,000	

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
<b>B3</b>	<b>SOCIO-ECON.PLANNING/DEVELOPMENT</b>										
1	Socio- Economic Planning/ Development	New Laptop- LED	17	Leases	0	0	0	20,000	0	0	G&C3.3.1
2	Socio- Economic Planning/ Development	Furniture, Tools & Equipment- LED	17		16,300	0	0	0	0	0	G&C3.3.1
3	Socio- Economic Planning/ Development	Vehicle Management System-LED	17	Leases	11,800	5,900	0	0	0	0	G&C3.3.1
4	Socio- Economic Planning/ Development	Thusong Centre-Planning Phase	16		2,000,000	0	0	0	0	0	G&C3.3.1
5	Socio- Economic Planning/ Development	Furniture, Tools & Equipment- Ward Committes	17	M.S.I.G	0	75,000	0	0	0	0	G&C3.3.1
					2,028,100	80,900	0	20,000	0	0	
	<b>Total: Corporate Services</b>				<b>2,206,000</b>	<b>80,900</b>	<b>543,300</b>	<b>40,000</b>	<b>672,600</b>	<b>20,000</b>	
	<b>C: FINANCIAL SERVICES</b>										
<b>C1</b>	<b>FINANCIAL SERVICES: ADMINISTRATION</b>										
1	Financial Services: Administration	Furniture,Tools & Equipment	17		10,000	0	10,000	0	60,000	0	G&C3.3.1
2	Financial Services: Administration	Vehicle Management System	17		14,000	0	0	0	0	0	G&C3.3.1
3	Financial Services: Administration	Photo Copier	17		0	0	40,000	0	0	0	G&C3.3.1
					24,000	0	50,000	0	60,000	0	
<b>C2</b>	<b>COMPUTER CENTRE</b>										
1	Financial Services:Computer Centre	New Promun Server	17		150,000	0	0	0	0	0	G&C3.3.1
2	Financial Services:Computer Centre	Harddrive Capacity for Collaborator	17		25,000	0	0	0	0	0	G&C3.3.1
3	Financial Services:Computer Centre	Furniture,Tools & Equipment-IT	17		1,500	0	3,000	0	0	0	G&C3.3.1
4	Financial Services:Computer Centre	Computer Leases	17	Leases	0	2,183,000	0	350,000	0	350,000	G&C3.3.1
5	Financial Services: Computer Centre	Additional HDD for Tivoli Back	17		28,000	0	0	0	0	0	G&C3.3.1
6	Financial Services: Computer Centre	UPS for radio network points	17		10,000	0	0	0	0	0	G&C3.3.1
					214,500	2,183,000	3,000	350,000	0	350,000	

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
C3	SUPPLY CHAIN MANAGEMENT										
1	Financial Services: Supply Chain Management	Furniture,Tools & Equipment-SCM	17		18,650	0	0	0	0	0	G&C3.3.1
2	Financial Services: Supply Chain Management	Roof Ventilators-Stores	17		22,000	0	0	0	0	0	G&C3.3.1
					40,650	0	0	0	0	0	
C4	INCOME										
1	Financial Services: Income Section	Furniture,Tools & Equipment-Income	17		13,000	0	13,000	0	0	0	G&C3.3.1
2	Financial Services: Income Section	Hand Held Terminals for Meter Readers	17		140,000	0	140,000	0	100,000	0	G&C3.3.1
					153,000	0	153,000	0	100,000	0	
	Total: Financial Services				432,150	2,183,000	206,000	350,000	160,000	350,000	

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
	<b>CIVIL SERVICES</b>										
<b>D1</b>	<b>CIVIL SERVICES: ADMINISTRATION</b>										
1	Civil Services: Administration	Furniture, Tools & Equipment	17		10,000	0	10,000	0	10,000	0	G&C3.3.1
2	Civil Services: Administration	Vehicle Management System	17		50,000	0	12,000	0	0	0	G&C3.3.1
3	Civil Services: Administration	Scanner	17		100,000	0	0	0	0	0	G&C3.3.1
					160,000	0	22,000	0	10,000	0	
<b>D2</b>	<b>STREETS AND STORMWATER</b>										
1	Roads, Stormwater & Drainage: Stormwater	<b>Improve Stormwater :</b>									
a)		Amy Searle Greenhaven/ Marigold (Enlarge culvert)	4		1,000,000	0	1,000,000	0	1,000,000	0	RSW3.1
b)		End/ Long Street	4		3,500,000	0	0	0	0	0	RSW3.1
c)		Sandhoogtepad	4		0	0	0	0	1,500,000	0	RSW3.1
d)		S/W Outlet at Outeniqua Strand	5		0	0	1,500,000	0	0	0	RSW3.1
2	Roads, Stormwater & Drainage: Stormwater	S/W Eureka Park	5		0	0	0	0	2,000,000	0	RSW3.1
3	Roads, Stormwater & Drainage: Stormwater	S/W Pipe Miller Crescent	11		75,000	0	0	0	0	0	RSW3.1
4	Roads, Stormwater & Drainage: Stormwater	S/W Hersham	5		0	0	1,500,000	0	0	0	RSW3.1
5	Roads, Stormwater & Drainage: Stormwater	Stormwater: Harry Giddy Park	8		0	0	650,000	0	0	0	RSW3.1
6	Roads, Stormwater & Drainage: Stormwater	Upgrading of major stormwater system-Wolwedans	4		200,000	0	1,500,000	0	1,500,000	0	RSW3.1
7	Roads, Stormwater & Drainage: Streets	Kerbs and Parking Paardekraal Road	10		250,000	0	250,000	0	0	0	RSW3.1
8	Roads, Stormwater & Drainage: Streets	New Kerbs : All areas	16		100,000	0	100,000	0	200,000	0	RSW3.1
9	Roads, Stormwater & Drainage: Streets	New Kerbs : Extension 6	15		100,000	0	0	0	0	0	RSW3.1
10	Roads, Stormwater & Drainage: Streets	New Kerbs : D'almeida	9		50,000						RSW3.1
11	Roads, Stormwater & Drainage: Streets	Pavement: CBD: Mossel Bay	8		100,000	0	200,000	0	200,000	0	RSW3.1
12	Roads, Stormwater & Drainage: Streets	Pave Sidewalks Danabaai	11		0	0	100,000	0	0	0	RSW3.1
13	Roads, Stormwater & Drainage: Streets	Pedestrian Walkway Greenhaven	4		200,000	0	200,000	0	200,000	0	RSW3.1

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
14	Roads, Stormwater & Drainage: Streets	<b>Tarring of Streets &amp; Roads :</b>									
a)		Maxham Circle	1		200,000	0	0	0	0	0	RSW3.1
b)		Qoqo Street	12		400,000	0	0	0	0	0	RSW3.1
c)		Nobuhle Street	2		810,000	0	0	0	0	0	RSW3.1
d)		Hoy Street	5		0	0	75,000	0	0	0	RSW3.1
e)		Maanlig Street	10		0	0	650,000	0	0	0	RSW3.1
f)		Havenga Road	10		460,000	0	0	0	0	0	RSW3.1
g)		Oickers Turning Circle	5		0	0	150,000	0	0	0	RSW3.1
h)		Aerostar Street	2		0	0	330,000	0	0	0	RSW3.1
i)		Carelse Street	3		90,000	0	700,000	0	0	0	RSW3.1
j)		D.Elles Street	12		0	0	340,000	0	0	0	RSW3.1
k)		Dyabhaza Street	2		550,000	0	0	0	0	0	RSW3.1
l)		Gleniqua Drive East	5		0	0	400,000	0	0	0	RSW3.1
m)		Makhubalo and Dyusha Street	2		0	0	625,000	0	0	0	RSW3.1
n)		Parking area Animal Hospital	10		0	0	100,000	0	0	0	RSW3.1
o)		12 Avenue at Kleinbrak	5		400,000	0	400,000	0	0	0	RSW3.1
p)		Flores Street	2		400,000	0	0	0	0	0	RSW3.1
15	Roads, Stormwater & Drainage: Streets	E.P.W.P : Pave Gravel Roads all areas	16	M.I.G. & E.P.W.P	350,000	4,914,000	350,000	3,000,000	0	7,142,000	RSW3.1
16	Roads, Stormwater & Drainage: Streets	Upgrade Montagu Street - Rebuild road	8		3,000,000	0	0	0	0	0	RSW3.1
17	Roads, Stormwater & Drainage: Streets	Upgrading of Streets: Brandwag	7	P.T.I.G.	330,000	805,000	0	800,000		800,000	RSW3.1
18	Roads, Stormwater & Drainage: Streets	<b>Rebuild Tar Roads:</b>									
a)		Melkhout Steet: Tergniet	5		850,000	0	0	0	0	0	RSW3.1
b)		Van Zyl Street: Tergniet	5		0	0	2,500,000	0	0	0	RSW3.1
c)		Harris Street: Tergniet	5		0	0	0	0	2,700,000	0	RSW3.1
d)		Dolphin Crescent: Tergniet	5		0	0	450,000	0	0	0	RSW3.1
e)		Swart Street: Tergniet	5		0	0	0	0	1,000,000	0	RSW3.1

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
19	Roads, Stormwater & Drainage: Streets	Rebuild Kusweg KBRT	5		2,500,000	0	0	0	0	0	RSW3.1
20	Roads, Stormwater & Drainage: Streets	Rebuild Riley Powrie-Meyer	8		0	0	250,000	0	0	0	RSW3.1
21	Roads, Stormwater & Drainage: Streets	Rehabilitate Mayixhale Street	15	M.I.G.	0	8,343,000	0	0	0	0	RSW3.1
22	Roads, Stormwater & Drainage: Streets	Rebuild Gleniqua Drive	5		0	0	2,000,000	0	0	0	RSW3.1
23	Roads, Stormwater & Drainage: Streets	Join Scholtz to Gqunu	1		100,000	0	0	0	0	0	RSW3.1
24	Roads, Stormwater & Drainage: Streets	<b>Sidewalks :</b>									
a)		Long Street	4		60,000	0	0	0	0	0	RSW3.1
b)		Herbertsdale	7		80,000	0	0	0	0	0	RSW3.1
25	Roads, Stormwater & Drainage: Streets	Furniture, Tools & Equipment	17		50,000	0	45,000	0	50,000	0	G&C3.3.1
26	Roads, Stormwater & Drainage: Streets	Tractor for Friemersheim	17		0	0	260,000	0	0	0	G&C3.3.1
27	Roads, Stormwater & Drainage: Streets	Sludge Mixer	17		40,000	0	0	0	0	0	G&C3.3.1
28	Roads, Stormwater & Drainage: Streets	Kerbs & Sidewalks: Olckers Street Kleinbrak	5		75,000	0	0	0	0	0	RSW3.1
29	Roads, Stormwater & Drainage: Streets	Kerbs & Sidewalks: Tarka	8		0	0	35,000	0	0	0	RSW3.1
30	Roads, Stormwater & Drainage: Streets	Parking Cape Road-Park School	8		0	0	0	0	1,800,000	0	RSW3.1
31	Roads, Stormwater & Drainage: Streets	Paving along Main Route's D'almeida	9		150,000	0	0	0	0	0	RSW3.1
32	Roads, Stormwater & Drainage: Streets	Paving along Station Road-Watson's to Stores	5		0	0	50,000	0	0	0	RSW3.1
33	Roads, Stormwater & Drainage: Streets	Paving Gleniqua Drive	5		0	0	150,000	0	0	0	RSW3.1
34	Roads, Stormwater & Drainage: Streets	Great Brak: Personnel Facilities/Stores	5		400,000	0	0	0	0	0	G&C3.3.1
35	Roads, Stormwater & Drainage: Streets	N.M.T- Facilities all areas	16		500,000	0	500,000	0	500,000	0	RSW3.1
36	Roads, Stormwater & Drainage: Streets	Purchase of new vehicle: LDV x2 for GBR	17		0	0	0	0	180,000	0	G&C3.3.1
37	Roads, Stormwater & Drainage: Streets	Purchase of Leased Vehicle: CBS 27931	17		80,000	0	0	0	0	0	G&C3.3.1
38	Roads, Stormwater & Drainage: Streets	Bomag Roller- Hartenbos	17		150,000	0	0	0	0	0	G&C3.3.1
39	Roads, Stormwater & Drainage: Streets	New parking, Beyers Street: Kleinbrak	5		150,000	0	0	0	0	0	RSW3.1
40	Roads, Stormwater & Drainage: Streets	Parking Areas: Rheeboek/ Tergniet	5		1,500,000	0	1,500,000	0	1,100,000	0	RSW3.1
41	Roads, Stormwater & Drainage: Streets	New Parking Area 2nd Beach	11		1,790,000	0	0	0	0	0	RSW3.1
42	Roads, Stormwater & Drainage: Streets	New Parking Area 1st Beach	11		0	0	1,500,000	0	0	0	RSW3.1
43	Roads, Stormwater & Drainage: Streets	Fencing: Schoeman Street & GBR Mun yard	5		200,000	0	200,000	0	0	0	G&C3.3.1

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
44	Roads, Stormwater & Drainage: Streets	Entrance Road to GBR yard	5		300,000	0	0	0	0	0	RSW3.1
45	Roads, Stormwater & Drainage: Streets	Entrance Road to 7th Avenue	5		375,000	0	0	0	0	0	RSW3.1
46	Roads, Stormwater & Drainage: Streets	Internal Road to GBR Main Municipal Offices & Parking	5		60,000	0	0	0	0	0	RSW3.1
47	Roads, Stormwater & Drainage: Streets	Equipment for LIC Projects	17		250,000	0	250,000	0	250,000	0	G&C3.3.1
48	Roads, Stormwater & Drainage: Streets	New Trailers X2	17		40,000	0	50,000	0	0	0	G&C3.3.1
49	Roads, Stormwater & Drainage: Streets	Facilities and Shelters:Taxi Rank Kwa-Nonqaba	3		0	0	1,500,000	0	0	0	RSW3.1
50	Roads, Stormwater & Drainage: Streets	Minibus Taxi Facilities:All Areas	16		500,000	0	500,000	0	500,000	0	RSW3.1
51	Roads, Stormwater & Drainage: Streets	Extension to Apiesdoring	6		0	0	0	0	2,000,000	0	RSW3.1
52	Roads, Stormwater & Drainage: Streets	Asazani/Zinyoka Main Access Roads	15	M.I.G	0	1,800,000	0	0	0	0	RSW3.1
53	Roads, Stormwater & Drainage: Streets	Upgrade Crossing Bill Jeffrey/Mossel Street	9		725,000	0	0	0	0	0	RSW3.1
					23,490,000	15,862,000	22,860,000	3,800,000	16,680,000	7,942,000	0
<b>D3</b>	<b>SEWERAGE</b>										
1	Sewerage: Purification Services	Regional Sewer : New VSD aerators	15		0	0	80,000	0	0	0	S3.1.1
2	Sewerage: Purification Services	Regional Sewer: New Do Meters	15		80,000	0	0	0	170,000	0	S3.1.1
3	Sewerage: Purification Services	Upgrade Telemetry	16		100,000	0	150,000	0	150,000	0	S3.1.1
4	Sewerage: Purification Services	Regional Sewerage Works: Sludge Drying Beds	15		0	0	1,300,000	0	1,300,000	0	S3.1.1
5	Sewerage: Purification Services	Great Brak Sewerage Works: Plant Upgrade from 1ML/day to 4ML/day	15		0	0	0	0	3,500,000	0	S3.1.1
6	Sewerage: Purification Services	Pinnacle Point Sewerage: New Fencing	11		0	0	260,000	0	0	0	S3.1.1
7	Sewerage: Purification Services	Pinnacle Point Sewerage: Mechanical Screen	11		550,000	0	0	0	0	0	S3.1.1
8	Sewerage: Purification Services	Pinnacle Point Sewerage:Aircon -MCC and Control Room	17		0	0	30,000	0	0	0	G&C3.3.1
9	Sewerage: Purification Services	Great Brak Sewerage : New Fencing	15		250,000	0	0	0	0	0	S3.1.1
10	Sewerage: Purification Services	Regional Sewerage: New Aerators Old Sludge holding basin	15		0	0	0	0	300,000	0	S3.1.1
11	Sewerage: Purification Services	Regional Sewerage: New Waste pumps Old sludge pump stations	15		0	0	190,000	0	120,000	0	S3.1.1
12	Sewerage: Purification Services	Regional Sewerage: Aerators and Mixers Old Reactor	15		110,000	0	120,000	0	150,000	0	S3.1.1
13	Sewerage: Purification Services	Regional Sewerage: New MCC-Inlet and Control Room	15		0	0	430,000	0	200,000	0	S3.1.1
14	Sewerage: Purification Services	Regional Sewer Works-Replace Dewatering Machine	15		0	0	800,000	0	0	0	S3.1.1
15	Sewerage: Purification Services	Regional Sewerage Works:Entrance Road	10		0	0	0	0	400,000	0	S3.1.1
16	Sewerage: Purification Services	Furniture, Tools & Equipment	17		10,000	0	10,000	0	10,000	0	G&C3.3.1
17	Sewerage: Purification Services	Regional Sewerage: Aircon for MCC Room and Offices	17		0	0	45,000	0	130,000	0	G&C3.3.1



DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
18	Sewerage: Purification Services	Replacement of Vehicle: CBS 30208	17		200,000	0	0	0	0	0	G&C3.3.1
19	Sewerage: Purification Services	Kleinbrak Water Works: New fencing at sludge dams	5		300,000	0	0	0	0	0	S3.1.1
20	Sewerage: Purification Services	Purchase Green Drop Kits	16		35,000	0	0	0	0	0	S3.1.1
21	Sewerage: Purification Services	Upgrade Pump stations Replace old model pumps with new ones	16		500,000	0	430,000	0	520,000	0	S3.1.1
22	Sewerage: Purification Services	Asazani/Zinyoka: New Bulk Sewer System	16		2,000,000	0	0	0	0	0	S3.1.1
23	Sewerage: Purification Services	Fencing Sewer Pump Stations	16		100,000	0	100,000	0	100,000	0	S3.1.1
24	Sewerage: Purification Services	New Sewer Pumps: Replace with new model pumps	16		500,000	0	430,000	0	520,000	0	S3.1.1
25	Sewerage: Purification Services	Gravel Entrance Road to Pinnacle Point Sewer works	11		0	0	430,000	0	0	0	S3.1.1
26	Sewerage: Purification Services	New Level-Sensor for Sewer Pits	16		200,000	0	170,000	0	200,000	0	S3.1.1
27	Sewerage: Purification Services	New Connections	16	Rec.Developer	0	150,000	0	200,000	0	1,000,000	S3.1.1
28	Sewerage: Purification Services	Odour Filter at VPS	15		1,500,000	0	0	0	0	0	S3.1.1
29	Sewerage: Purification Services	Grinder for solids at VPS	15		0	0	900,000	0	0	0	S3.1.1
30	Sewerage: Purification Services	Mobile Generator	16		0	0	0	0	1,200,000	0	S3.1.1
31	Sewerage: Purification Services	Friemersheim: New Sewer Pumpstations	4		0	0	870,000	0	0	0	S3.1.1
32	Sewerage: Purification Services	Balancing dam VPS	15		500,000	0	0	0	0	0	S3.1.1
33	Sewerage: Network	Midbrak Main Sewer Network	5		6,000,000	0	3,710,000	0	9,060,000	0	S3.1.1
34	Sewerage: Network	Furniture, Tools & Equipment	17		40,000	0	45,000	0	50,000	0	G&C3.3.1
35	Sewerage: Network	Replace Sewer Network-All Areas	16		400,000	0	400,000	0	400,000	0	S3.1.1
36	Sewerage: Network	Asla Park-Replace Sewer lines	3	M.I.G.	1,000,000	0	870,000	4,000,000	1,750,000	0	S3.1.1
37	Sewerage: Network	Enlarge Sewerlines-KwaNonqaba	2		1,000,000	0	870,000	0	0	0	S3.1.1
38	Sewerage : Reticulation Services	New Sewer Lines : D'almeida	9		1,000,000	0	430,000	0	0	0	S3.1.1
39	Sewerage: Reticulation Services	Replacement of Vehicle: LDV CBS 33243	17		0	0	0	0	180,000	0	G&C3.3.1
40	Sewerage: Reticulation Services	High Pressure Jetting Machine	16		350,000	0	0	0	0	0	S3.1.1
					16,725,000	150,000	13,070,000	4,200,000	20,410,000	1,000,000	

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
<b>D4</b>	<b>WATER</b>										
1	Water: Purification Works	Sandhoogte Water Treatment: Upgrade dosing pumps and mixers	5		50,000	0	50,000	0	40,000	0	W3.1.7
2	Water: Purification Works	Friemersheim Water Treatment: New Fencing	4		0	0	80,000	0	0	0	W3.1.7
3	Water: Purification Works	Friemersheim Water Treatment: Refurbish Buildings and Pump stations	4		200,000	0	100,000	0	0	0	W3.1.7
4	Water: Purification Works	Lodewyks tenk Water Treatment : Automation of Plant	7		0	0	70,000	0	0	0	W3.1.7
5	Water: Purification Works	Sandhooft Water Treatment: Refurbish Water Treatment Plant	5		0	0	60,000	0	0	0	W3.1.7
6	Water: Purification Works	Klein Brak Water Treatment: Aircon for Offices	17		0	0	10,000	0	0	0	G&C3.3.1
7	Water: Purification Works	Klein Brak Water Treatment: Aircon MCC	17		0	0	20,000	0	0	0	G&C3.3.1
8	Water: Purification Works	Furniture, Tools & Equipment	17		10,000	0	10,000	0	10,000	0	G&C3.3.1
9	Water: Purification Works	Great Brak Water Treatment Plant: Repairwork on Sandfilters	5		500,000	0	0	0	0	0	W3.1.7
10	Water: Purification Works	Purchase Blue Drop Kits	16		60,000	0	0	0	0	0	W3.1.7
11	Water: Purification Works	GBR: Enlarge Water Treatment Plant 5.5ML to 12ML	16	M.I.G.	0	0	0	0	0	2,000,000	W3.1.7
12	Water: Distribution	New Network Pipe Lines as per master plan	16		750,000	0	650,000	0	650,000	0	W3.1.7
13	Water: Distribution	New Connections	16	Rec. Developer	0	600,000	0	650,000	0	1,000,000	W3.1.7
14	Water: Distribution	New water pipes Jonkersberg Community	4		150,000	0	430,000	0	0	0	W3.1.7
15	Water: Distribution	Ernst Robertson Pipeline to Sandhoogte	16		0	0	1,800,000	0	0	0	W3.1.7
16	Water: Distribution	Voorbaai: New Bulk Line	15		0	0	0	0	4,400,000	0	W3.1.7
17	Water: Distribution	Asazani/Zinyoka Main Water 500mm line to KwaNonqaba	16	M.I.G.	500,000	0	430,000	8,196,000	430,000	9,000,000	W3.1.7
18	Water: Distribution	Bulk water meters	16		400,000	0	200,000	0	350,000	0	W3.1.7
19	Water: Distribution	Furniture, Tools & Equipment	17		40,000	0	45,000	0	50,000	0	G&C3.3.1
20	Water: Distribution	New bakkie: Water Distribution	17		200,000	0	0	0	0	0	G&C3.3.1
21	Water: Distribution	Trailers x4	17		50,000	0	0	0	0	0	G&C3.3.1
22	Water: Distribution	Compactors x2	17		40,000	0	0	0	0	0	W3.1.7
23	Water: Distribution	Replacement of Vehicle: LDV CBS 11852	17		180,000	0	0	0	0	0	G&C3.3.1
24	Water: Distribution	Water Meter Replacement Program	16		500,000	0	430,000	0	520,000	0	G&C3.3.1
25	Water: Distribution	Pumps and Switchgear	16		200,000	0	200,000	0	0	0	W3.1.7
26	Water: Distribution	New Prosonic level measure	16		200,000	0	200,000	0	0	0	W3.1.7
27	Water: Distribution	New 400mm line and pumpstation to Jameson Reservoir	16		500,000	0	900,000	0	900,000	0	W3.1.7
28	Water: Distribution	MB Heiderand: New 5ML Reservoir Very High	6		0	0	5,500,000	0	3,700,000	0	W3.1.7
29	Water: Distribution	Telemetry: Expansion New System	16		100,000	0	100,000	0	0	0	W3.1.7

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
30	Water: Distribution	Purchase of Leased Vehicles:									
a)		CBS 7558	17		100,000	0	0	0	0	0	G&C3.3.1
b)		CBS 7823	17		0	0	100,000	0	0	0	G&C3.3.1
c)		CBS 33193	17		0	0	0	0	100,000	0	G&C3.3.1
31	Water: Distribution	Replace Water Network Lines-All Areas	16		600,000	0	550,000	0	550,000	0	W3.1.7
32	Water: Distribution	Relocate Rheebofsfontein-Woodline main water line	5		0	0	900,000	0	0	0	W3.1.7
33	Water: Distribution	High-level Reservoir to Hills reservoir link line	8		0	0	0	0	0	0	W3.1.7
34	Water: Distribution	Outeniqua Strand: 1ML Reservoir	5		0	0	0	0	3,250,000	0	W3.1.7
35	Water: Distribution	Generators: Grunter and Omega	15		0	0	1,300,000	0	0	0	W3.1.7
36	Water: Distribution	New Reservoir:Buysplaas South	7	M.I.G.	0	0	0	2,000,000	0	0	W3.1.7
37	Water: Distribution	New water pumps:Replace with new model pumps	16		300,000	0	300,000	0	350,000	0	W3.1.7
38	Water: Distribution	Ruiterbos Water Treatment: Increase storage capacity of raw water dam	7		80,000	0	0	0	0	0	W3.1.7
39	Water: Distribution	Ruiterbos Water Treatment-Increase water weir capacity	7		40,000	0	0	0	0	0	W3.1.7
40	Water: Distribution	Upgrade pumpstation:Langeberg	10		0	0	2,200,000	0	0	0	W3.1.7
41	Water: Distribution	Water tower at Greatbrak Heights	5		0	0	0	0	1,850,000	0	W3.1.7
					5,750,000	600,000	16,635,000	10,846,000	17,150,000	12,000,000	
	Total: Civil Services				46,125,000	16,612,000	52,587,000	18,846,000	54,250,000	20,942,000	

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
	<b>E: COMMUNITY SERVICES</b>										
<b>E1</b>	<b>MANAGER COMMUNITY SERVICES:ADMIN.</b>										
1	Manager Community Serv:Admin	Vehicle Management System	17		120,000	0	0	0	0	0	G&C3.3.1
2	Manager Community Serv:Admin	Laptop	17	Leases	0	20,000	0	0	0	0	G&C3.3.1
3	Civic Centre & Community Halls	Furniture, Tools & Equipment	17		120,000	0	61,000	0	0	0	G&C3.3.1
4	Civic Centre & Community Halls	New Fence in Lingelihle Crèche (Security Fence)	12		0	0	40,000	0	0	0	CEH3.4.1
5	Civic Centre & Community Halls	Brandwacht Hall Acoustics	7		15,000	0	0	0	0	0	CEH3.4.1
6	Civic Centre & Community Halls	Boggomsbaai Hall Acoustics	7		15,000	0	0	0	0	0	CEH3.4.1
7	Civic Centre & Community Halls	Upgrade Creche two new Class rooms: Ncedolesizwe	1		200,000	0	0	0	0	0	CEH3.4.1
					470,000	20,000	101,000	0	0	0	
<b>E2</b>	<b>CARAVAN PARKS/CHALETS</b>										
1	Caravan Park:Point	Extend Ablution Block: Point Caravan Park	8		300,000	0	0	0	0	0	LED3.6.1
2	Caravan Park:Point	Connect gullies to the main sewerage system	8		0	0	100,000	0	0	0	LED3.6.1
3	Chalets: Santos/De Bakke	Replace worn out furniture & equipment	17		200,000	0	200,000	0	200,000	0	G&C3.3.1
4	Chalets: Santos/De Bakke	Palisade fencing	16		80,000	0	200,000	0	0	0	LED3.6.1
5	Chalets: Santos/De Bakke	Upgrade ablution blocks -Santos: Caravan Park	8		0	0	400,000	0	0	0	LED3.6.1
					580,000	0	900,000	0	200,000	0	
<b>E3</b>	<b>CEMETERIES</b>										
1	Cemeteries	M/Bay Cemetery: New Wall of Remembrance	16		0	0	30,000	0	0	0	CEH3.4.1
2	Cemeteries	New Cemetery: Brandwacht	7		50,000	0	0	0	0	0	CEH3.4.1
					50,000	0	30,000	0	0	0	

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
<b>E4</b>	<b>CLEANSING</b>										
1	Cleansing: Refuse Removal	Bulk Containers	16		100,000	0	0	0	150,000	0	CEH3.4.1
2	Cleansing: Refuse Removal	Supply of bin lifters	16		50,000	0	0	0	150,000	0	CEH3.4.1
3	Cleansing: Refuse Removal	Upgrading of compactor units	16		500,000	0	0	0	300,000	0	CEH3.4.1
4	Cleansing: Refuse Removal	Waste: Drop Off Sites	16		210,000	0	0	0	0	0	CEH3.4.1
5	Cleansing: Refuse Removal	New Guard Hut	17		160,000	0	0	0	0	0	G&C3.3.1
6	Cleansing: Refuse Removal	New Compactor Unit	16		1,800,000	0	1,800,000	0	2,000,000	0	CEH3.4.1
7	Cleansing: Refuse Removal	New Transfer Station	16		300,000	0	0	0	400,000	0	CEH3.4.1
8	Cleansing: Refuse Removal	Purchase of New 3 Ton Truck	17		300,000	0	0	0	0	0	G&C3.3.1
9	Cleansing: Refuse Removal	Furniture, Tools & Equipment	17		100,000	0	0	0	0	0	G&C3.3.1
10	Cleansing: Refuse Removal	Chipper: Louis Fourie Green Waste Site	16		500,000	0	0	0	0	0	CEH3.4.1
					4,020,000	0	1,800,000	0	3,000,000	0	
<b>E5</b>	<b>PUBLIC SAFETY &amp; RESCUE SERVICES</b>										
1	Fire Brigade & Rescue Services	Installation of 3 Fire Hydrants: Boggoms Bay	7		50,000	0	0	0	0	0	CSS3.5.1
2	Fire Brigade & Rescue Services	Additional Fire Hydrants	15		200,000	0	0	0	0	0	CSS3.5.1
3	Fire Brigade & Rescue Services	Fire fighting equipment and Hazmat equipment	16		200,000	0	100,000	0	100,000	0	CSS3.5.1
4	Fire Brigade & Rescue Services	Furniture, Tools and Equipment	17		75,000	0	75,000	0	45,000	0	G&C3.3.1
5	Fire Brigade & Rescue Services	Upgrading of Appliance Bays – Great Brak Fire Station	15		150,000	0	0	0	0	0	CSS3.5.1
6	Fire Brigade & Rescue Services	Replacement of Vehicle: Water Tanker 2 with 4x4 Water Tanker	17		800,000	0	0	0	0	0	G&C3.3.1
7	Fire Brigade & Rescue Services	Upgrade Radio Communications Network	17		500,000	0	0	0	0	0	G&C3.3.1
8	Fire Brigade & Rescue Services	New Security Guard Hut: Schoeman Street Stores	17		60,000	0	0	0	0	0	G&C3.3.1
9	Fire Brigade & Rescue Services	Replace Vehicle: CBS 18527 4x4 Bakkie and pump unit	17		0	0	500,000	0	0	0	G&C3.3.1

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
10	Public Safety: Mun. Police & Traffic Department	<b>Speedbumps:</b>									
a)		Aloe Street-Boggomsbaai (2)	7		0	0	40,000	0	0	0	CSS3.5.1
b)		Flora Road (2)	11		0	0	60,000	0	0	0	CSS3.5.1
c)		Alwyn Street (2)	11		0	0	60,000	0	0	0	CSS3.5.1
d)		Kaljiepiering-Hartenbos Heuwels	10		0	0	15,000	0	0	0	CSS3.5.1
e)		Stuurman Street	3		20,000	0	0	0	0	0	CSS3.5.1
f)		Mali Street (2)	2		40,000	0	0	0	0	0	CSS3.5.1
g)		Thembelihle Street (2)	1		40,000	0	0	0	0	0	CSS3.5.1
h)		Herbertsdale: Herbert Street (1)	7		20,000	0	0	0	0	0	CSS3.5.1
i)		Mooney Street (1)	3		20,000	0	0	0	0	0	CSS3.5.1
j)		Solomon Street (1)	3		0	0	20,000	0	0	0	CSS3.5.1
k)		Frans Street (1)	3		20,000	0	0	0	0	0	CSS3.5.1
l)		Benevolent Park (1)	6		20,000	0	0	0	0	0	CSS3.5.1
m)		Grunter Street (1)	11		20,000	0	0	0	0	0	CSS3.5.1
11	Public Safety: Mun. Police & Traffic Department	Purchase of Two New Vehicles	17		260,000	0	0	0	0	0	G&C3.3.1
12	Public Safety: Mun. Police & Traffic Department	Expandable Barriers x10	16		20,000	0	0	0	0	0	CSS3.5.1
13	Public Safety: Mun. Police & Traffic Department	Bullet Proof vests (26)	17		80,000	0	0	0	0	0	G&C3.3.1
14	Public Safety: Mun. Police & Traffic Department	Dragor Alcohol Meters x2	17		8,000	0	0	0	0	0	G&C3.3.1
15	Public Safety: Mun. Police & Traffic Department	Two way Radio Base System	17		7,000	0	0	0	0	0	G&C3.3.1
16	Public Safety: Mun. Police & Traffic Department	<b>Replacement of Vehicles:</b>									G&C3.3.1
a)		CBS 28101 and CBS 1854 and CBS 18278	17		420,000	0	0	0	0	0	G&C3.3.1
b)		CBS 13133 and CBS 13929	17		0	0	0	0	320,000	0	G&C3.3.1
c)		CBS 28097 and CBS 22610	17		140,000	0	0	0	160,000	0	G&C3.3.1
17	Public Safety: Mun. Police & Traffic Department	Replacement of Traffic Lights	16		150,000	0	0	0	0	0	CSS3.5.1
18	Public Safety: Mun. Police & Traffic Department	8 Channel Camera System	16		30,000	0	0	0	0	0	CSS3.5.1
					3,350,000	0	870,000	0	625,000	0	0

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
E6	SPORTS AND RECREATION										
1	Beaches	Stabilization of Embankments-General	16		350,000	0	100,000	0	100,000	0	LED3.6.1
2	Beaches	Sunshades Santos Beach	16		50,000	0	0	0	0	0	LED3.6.1
3	Beaches	New ablution block: Klein Brak	5		120,000	0	0	0	0	0	LED3.6.1
4	Beaches	Look-Out Kiosk:Boggoms Bay	7		30,000	0	0	0	0	0	LED3.6.1
5	Parks: Harry Giddy Park	Harry Giddy Park Enclosures for Animals	16		10,000	0	0	0	0	0	SRC3.8.1
6	Parks: Harry Giddy Park	Kudu Lawnmower:Harry Giddy Park	17		21,000	0	0	0	0	0	SRC3.8.1
7	Parks & Recreation	Kudu Lawnmower-Parks General	17		21,000	0	0	0	0	0	G&C3.3.1
8	Parks & Recreation	Mother & Baby Park -Miller Crescent	11		50,000	0	0	0	0	0	SRC3.8.1
9	Parks & Recreation	Furniture, Tools & Equipment	17		20,000	0	0	0	0	0	G&C3.3.1
10	Parks & Recreation	Fencing:Tarka Kloof	8		100,000	0	0	0	0	0	SRC3.8.1
11	Parks & Recreation	Tractor-mounted Sprayer	17		34,000	0	0	0	0	0	G&C3.3.1
12	Sport Grounds	Upgrading of Tennis Courts-GBR	5		200,000	0	0	0	0	0	SRC3.8.1
13	Sport Grounds	Upgrade Pavilions Sport fields	16		0	0	300,000	0	0	0	SRC3.8.1
14	Sport Grounds	Brandwacht - Completion of new facilities (Pavilion)	7		250,000	0	0	0	0	0	SRC3.8.1
15	Sport Grounds	Upgrade Extension 23 Sport fields	11		1,000,000	0	0	0	0	0	SRC3.8.1
16	Sport Grounds	Bomag Roller	17		158,000	0	0	0	0	0	G&C3.3.1
17	Sport Grounds	Resurface Netball Court-GBR	4		70,000	0	0	0	0	0	SRC3.8.1
18	Sport Grounds	Rebuild Tennis Courts:Vleesbaai	7		0	0	75,000	0	0	0	SRC3.8.1
19	Sport Grounds	Furniture, Tools & Equipment	17		10,000	0	0	0	0	0	G&C3.3.1
20	Sport Grounds	Upgrade Tennis Courts-Mossel Bay	15		300,000	0	0	0	0	0	SRC3.8.1
21	Sport Grounds	Upgrade Tennis Courts-Klein Brak	5		200,000		0		0	0	SRC3.8.1
22	Sport Grounds	Ride-on grass cutter and trailer	17		200,000	0	0	0	0	0	SRC3.8.1
23	Sport Grounds	Upgrade Kwa-Nonqaba Sportsfield	3		600,000	0	0	0	0	0	SRC3.8.1
24	Plantations	Chain Saw	17		7,000	0	0	0	0	0	G&C3.3.1
25	Plantations	Renovation of office- 12m2	17		60,000	0	0	0	0	0	G&C3.3.1
26	Plantations	Furniture, Tools & Equipment	17		20,000	0	0	0	0	0	G&C3.3.1
27	Plantations	Build:Toilet facilities for workers	17		50,000	0	0	0	0	0	G&C3.3.1
28	Plantations	4X4 Tractor	17		280,000	0	0	0	0	0	G&C3.3.1
					4,211,000	0	475,000	0	100,000	0	

DRAFT CAPITAL PROGRAM:MOSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
<b>E7</b>	<b>LIBRARIES</b>										
1	Library: Mossel Bay	Burgular bars	16		50,000	0	0	0	0	0	G&C3.3.1
2	Library: Mossel Bay	Carpets	16		80,000	0	0	0	0	0	G&C3.3.1
3	Library: Mossel Bay	Laser jet printers	17		10,000	0	0	0	0	0	G&C3.3.1
4	Library: Mossel Bay	Blinds	17		30,000	0	0	0	0	0	G&C3.3.1
5	Library: Mossel Bay	Colour Television	17		3,000	0	0	0	0	0	G&C3.3.1
6	Library: Mossel Bay	Scanners x2	8		8,000	0	0	0	0	0	G&C3.3.1
7	Library: Brandwacht	Office equipment Leases (Photo Copier-Brandwacht)	7	Leases	0	10,000	0	0	0	0	G&C3.3.1
8	Library: Brandwacht	Safe-Brandwacht	7		3,750	0	0	0	0	0	G&C3.3.1
9	Library: Friemersheim	Safe-Friemersheim Library	5		3,750	0	0	0	0	0	G&C3.3.1
10	Library: Friemersheim	Bookshelves-Friemersheim Library	4		10,000	0	0	0	0	0	G&C3.3.1
11	Library: Greenhaven	Safe-Greenhaven Library	4		3,750	0	0	0	0	0	G&C3.3.1
12	Library: Greenhaven	Laminator-Greenhaven Library	4		5,000	0	0	0	0	0	G&C3.3.1
13	Library: Greenhaven	Scanners x2-Greenhaven Library	4		8,000	0	0	0	0	0	G&C3.3.1
14	Library:Herbertsdale	Ceiling Fan x2	17		1,000	0	0	0	0	0	G&C3.3.1
15	Library:Herbertsdale	Office Equipment Leases-Herbertsdale(Fax Machine-Herbertsdale Library)	17	Leases	0	5,000	0	0	0	0	G&C3.3.1
16	Library:Herbertsdale	Safe-Herbertsdale Library	17		3,750	0	0	0	0	0	G&C3.3.1
17	Library: Ruiterbos	Filing Cabinet wood with 4 drawers	7		2,500	0	0	0	0	0	G&C3.3.1
18	Library: D'Almeida	New Kitchen Cupboards	17		5,000	0	0	0	0	0	G&C3.3.1
19	Library: D'Almeida	Safe-D'Almeida Library	9		3,750	0	0	0	0	0	G&C3.3.1
20	Library: Ellen van Rensburg	Palisade Fencing	5		0	0	0	0	60,000	0	G&C3.3.1
21	Library: Ellen van Rensburg	Laminator	5		5,000	0	0	0	0	0	G&C3.3.1
22	Library: Ellen van Rensburg	Scanners x2	5		8,000	0	0	0	0	0	G&C3.3.1
23	Library: Hartenbos	3 Bookshelves -Hartenbos Library	10		3,600	0	0	0	0	0	G&C3.3.1
24	Library: Hartenbos	DVD Player	5		600	0	0	0	0	0	G&C3.3.1
25	Library: Hartenbos	Replace Carpets	5		35,000	0	0	0	0	0	G&C3.3.1
26	Library: Hartenbos	Colour Television	5		3,000	0	0	0	0	0	G&C3.3.1
27	Library: Hartenbos	Safe-Hartenbos Library	5		3,750	0	0	0	0	0	G&C3.3.1
28	Library: Hartenbos	Display Board- 7 Panels	5		2,200	0	0	0	0	0	G&C3.3.1
29	Library: Mossel Bay	Containers at the Library	8	L.C.G	0	82,000					G&C3.3.1
					292,400	97,000	0	0	60,000	0	
	<b>Total: Community Services</b>				<b>12,973,400</b>	<b>117,000</b>	<b>4,176,000</b>	<b>0</b>	<b>3,985,000</b>	<b>0</b>	



DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
	<b>F: ELECTRICITY SERVICES</b>										
<b>F1</b>	<b>ELECTRICITY : ADMINISTRATION</b>										
1	Electricity: Administration	Furniture, Tools & Equipment	17		50,000	0	20,000	0	20,000	0	G&C3.3.1
2	Electricity: Administration	Vehicle Management System	10		50,000	0	15,000	0	15,000	0	G&C3.3.1
					100,000	0	35,000	0	35,000	0	
<b>F2</b>	<b>ELECTRICITY DISTRIBUTION</b>										
1	Electricity Distribution	Replacement of 30V Battery charger Santos substation	8		120,000	0	0	0	0	0	E.3.1.3
2	Electricity Distribution	Replacement Network H/Bos	10		300,000	0	350,000	0	0	0	E.3.1.3
3	Electricity Distribution	New Network Midbrak	5		300,000	0	500,000	0	500,000	0	E.3.1.3
4	Electricity Distribution	Replacement Network Low Voltage	1		400,000	0	0	0	0	0	E.3.1.3
5	Electricity Distribution	Replacement Network Low Voltage	12		200,000	0	200,000	0	200,000	0	E.3.1.3
6	Electricity Distribution	Replacement L/V O/H Lines Central Town	8		200,000	0	400,000	0	400,000	0	E.3.1.3
7	Electricity Distribution	Replacement L/V Network Great Brak/ Green haven	4		200,000	0	200,000	0	200,000	0	E.3.1.3
8	Electricity Distribution	2nd Point of Supply, Glentana/Great Brak area	15		0	0	1,000,000	0	2,000,000	0	E.3.1.3
9	Electricity Distribution	<b>Substation Improvements (Enhancing 11kV equip.):</b>									
a)		Upper X S/S	8		700,000	0	0	0	0	0	E.3.1.3
b)		Ext 4 S/S	8		0	0	500,000	0	0	0	E.3.1.3
10	Electricity Distribution	Bothma S/S new 20 MVA Transformer	15		2,000,000	0	4,000,000	0	0	0	E.3.1.3
11	Electricity Distribution	Control Centre/Load Management	16		1,200,000	0	700,000	0	0	0	E.3.1.3
12	Electricity Distribution	New 66/22/11kV Substation K/Brak Sewerage Farm	15		1,000,000	0	800,000	0	4,500,000	0	E.3.1.3
13	Electricity Distribution	New 22kV Transmission Line K/Brak Sewerage Farm Ph 1&2	15		0	0	2,000,000	0	1,000,000	0	E.3.1.3
14	Electricity Distribution	Replacement Network Low Voltage	9		500,000	0	500,000	0	500,000	0	E.3.1.3
15	Electricity Distribution	66kV Transmission Line Bothma S/S to Ext.13	15		3,500,000	0	0	0	0	0	E.3.1.3
16	Electricity Distribution	New Connections	16	Rec. Developer	0	1,200,000	0	1,200,000	0	1,200,000	E.3.1.3
17	Electricity Distribution	Replacement of meters in All Areas	16		300,000	0	300,000	0	300,000	0	E.3.1.3
18	Electricity Distribution	Upgrade Great Brak River MV Network	15		1,000,000	0	1,200,000	0	1,200,000	0	E.3.1.3
19	Electricity Distribution	Replacement of switchgear at Intake Substation	15		1,000,000	0	500,000	0	0	0	E.3.1.3
20	Electricity Distribution	Replace Ageing Miniature Substations	16		700,000	0	700,000	0	1,000,000	0	E.3.1.3
21	Electricity Distribution	Replace MV Ring Main Units	16		700,000	0	700,000	0	1,000,000	0	E.3.1.3
22	Electricity Distribution	Electrification Projects	16	N.E.R.	250,000	2,000,000	0	1,000,000	0	7,500,000	E.3.1.3
23	Electricity Distribution	Tools & Equipment	17		100,000	0	100,000	0	100,000	0	G&C3.3.1

DRAFT CAPITAL PROGRAM: MOSSEL BAY MUNICIPALITY 2011/12 TO 2013/14											
NO.	ACCOUNT	PROJECTS	WARD/S	FUNDING	2011/2012		2012/2013		2013/2014		STRATEGY
					C.R.R	OTHER	C.R.R	OTHER	C.R.R	OTHER	
24	Electricity Distribution	Replacement of One Ton Bakkie-CBS 21327	17		200,000	0	0	0	0	0	G&C3.3.1
25	Electricity Distribution	Modification of 22/11kV substation at Powertown	15		0	0	2,000,000	0	2,500,000	0	E.3.1.3
26	Electricity Distribution	Purchase of Leased Vehicles: CBS 42246/CBS 42248	17		0	0	120,000	0	0	0	G&C3.3.1
27	Electricity Distribution	Walvis Street- Street Lights	9		150,000	0	0	0	0	0	E.3.1.3
28	Electricity Distribution	Dana Bay- Flora Road Street Lights	11		100,000	0	0	0	0	0	E.3.1.3
29	Electricity Distribution	Tergniet Street Lights	5		0	0	0	0	0	0	E.3.1.3
30	Electricity Distribution	Quality of Supply Instruments	16		100,000	0	0	0	0	0	G&C3.3.1
31	Electricity Distribution	66kv Overhead Line Upgrade- Intake to South Substation	15		0	0	3,000,000	0	2,000,000	0	E.3.1.3
					15,220,000	3,200,000	19,770,000	2,200,000	17,400,000	8,700,000	
	<b>Total: Electricity- Services</b>				<b>15,320,000</b>	<b>3,200,000</b>	<b>19,805,000</b>	<b>2,200,000</b>	<b>17,435,000</b>	<b>8,700,000</b>	
	<b>G:DEVELOPMENT &amp; PLANNING</b>										
<b>G1</b>	<b>DEVELOPMENT &amp; PLANNING</b>										
1	Development & Planning : Admin	Furniture, Tools & Equipment	17		20,000	0	20,000	0	20,000	0	G&C3.3.1
2	Development & Planning : Admin	Security cameras x4: Montagu Building	17		25,000	0	0	0	0	0	G&C3.3.1
					45,000	0	20,000	0	20,000	0	
<b>G2</b>	<b>HUMAN SETTLEMENTS</b>										
1	Human Settlements	Vehicle Management System	17		20,000	0	0	0	0	0	G&C3.3.1
2	Human Settlements	I X LDV	17		120,000	0	0	0	0	0	G&C3.3.1
3	Human Settlements	4 x 4 LDV long wheel base: Vehicle	17		275,000	0	0	0	0	0	G&C3.3.1
4	Human Settlements	Asazani/Izinyoka Infrastructure	12	Dept. of Human Settlement	0	11,799,891	0	15,017,024	0	0	LH.3.2.1
5	Human Settlements	Friemersheim Infrastructure	4	Dept. of Human Settlement	0	3,000,000	0	0	0	0	LH.3.2.1
					415,000	14,799,891	0	15,017,024	0	0	
	<b>Total : Development &amp; Planning</b>				<b>460,000</b>	<b>14,799,891</b>	<b>20,000</b>	<b>15,017,024</b>	<b>20,000</b>	<b>0</b>	
	<b>GRAND TOTAL</b>				<b>79,028,350</b>	<b>36,992,791</b>	<b>77,837,300</b>	<b>36,453,024</b>	<b>76,522,600</b>	<b>30,012,000</b>	

MOSSEL BAY MUNICIPALITY									
SUMMARY OF THE DRAFT CAPITAL BUDGET PER VOTE									
Vote Description	2011/2012			2012/2013			2013/2014		
	C.R.R	Other	Total	C.R.R	Other	Total	C.R.R	Other	Total
<b>MUNICIPAL MANAGER</b>									
Municipal Manager:Admin	1,500,000	0	1,500,000	500,000	0	500,000	0	0	0
Council General	11,800	0	11,800	0	0	0	0	0	0
	1,511,800	0	1,511,800	500,000	0	500,000	0	0	0
<b>CORPORATE SERVICES</b>									
Corporate Services: Administration	39,000	0	39,000	520,000	20,000	540,000	640,000	0	640,000
Human Resources	138,900	0	138,900	23,300	0	23,300	32,600	20,000	52,600
Socio-Econ.Planning/Development	2,028,100	80,900	2,109,000	0	20,000	20,000	0	0	0
	2,206,000	80,900	2,286,900	543,300	40,000	583,300	672,600	20,000	692,600
<b>FINANCIAL SERVICES</b>									
Financial Services: Administration	24,000	0	24,000	50,000	0	50,000	60,000	0	60,000
Computer Centre	214,500	2,183,000	2,397,500	3,000	350,000	353,000	0	350,000	350,000
Supply Chain Management	40,650	0	40,650	0	0	0	0	0	0
Valuations	153,000	0	153,000	153,000	0	153,000	100,000	0	100,000
	432,150	2,183,000	2,615,150	206,000	350,000	556,000	160,000	350,000	510,000
<b>CIVIL SERVICES</b>									
Civil Services: Administration	160,000	0	160,000	22,000	0	22,000	10,000	0	10,000
Streets and Stormwater	23,490,000	15,862,000	39,352,000	22,860,000	3,800,000	26,660,000	16,680,000	7,942,000	24,622,000
Sewerage	16,725,000	150,000	16,875,000	13,070,000	4,200,000	17,270,000	20,410,000	1,000,000	21,410,000
Water	5,750,000	600,000	6,350,000	16,635,000	10,846,000	27,481,000	17,150,000	12,000,000	29,150,000
	46,125,000	16,612,000	62,737,000	52,587,000	18,846,000	71,433,000	54,250,000	20,942,000	75,192,000

Vote Description	2011/2012			2012/2013			2013/2014		
	C.R.R	Other	Total	C.R.R	Other	Total	C.R.R	Other	Total
<b>COMMUNITY SERVICES</b>									
Community Services: Administration	470,000	20,000	490,000	101,000	0	101,000	0	0	0
Caravan Parks/ Chalets	580,000	0	580,000	900,000	0	900,000	200,000	0	200,000
Cemeteries	50,000	0	50,000	30,000	0	30,000	0	0	0
Cleansing	4,020,000	0	4,020,000	1,800,000	0	1,800,000	3,000,000	0	3,000,000
Public Safety and Rescue Services	3,350,000	0	3,350,000	870,000	0	870,000	625,000	0	625,000
Sports and Recreation	4,211,000	0	4,211,000	475,000	0	475,000	100,000	0	100,000
Libraries	292,400	97,000	389,400	0	0	0	60,000	0	60,000
	12,973,400	117,000	13,090,400	4,176,000	0	4,176,000	3,985,000	0	3,985,000
<b>ELECTRICITY SERVICES</b>									
Electricity: Administration	100,000	0	100,000	35,000	0	35,000	35,000	0	35,000
Electricity: Distribution	15,220,000	3,200,000	18,420,000	19,770,000	2,200,000	21,970,000	17,400,000	8,700,000	26,100,000
	15,320,000	3,200,000	18,520,000	19,805,000	2,200,000	22,005,000	17,435,000	8,700,000	26,135,000
<b>DEVELOPMENT &amp; PLANNING</b>									
Town Planning & Building Control	45,000	0	45,000	20,000	0	20,000	20,000	0	20,000
Human Settlements	415,000	14,799,891	15,214,891	0	15,017,024	15,017,024	0	0	0
	460,000	14,799,891	15,259,891	20,000	15,017,024	15,037,024	20,000	0	20,000
<b>GRAND TOTAL</b>	<b>79,028,350</b>	<b>36,992,791</b>	<b>116,021,141</b>	<b>77,837,300</b>	<b>36,453,024</b>	<b>114,290,324</b>	<b>76,522,600</b>	<b>30,012,000</b>	<b>106,534,600</b>

MOSSEL BAY MUNICIPALITY				
SUMMARY OF THE DRAFT CAPITAL BUDGET PER FUNDING SOURCE				
Funding Sources	Abbrev.	2011/2012	2012/2013	2013/2014
Capital Replacement Reserve (Internal)	C.R.R.	79,028,350	77,837,300	76,522,600
Municipal Infrastructure Grant	M.I.G	14,143,000	17,196,000	18,142,000
Municipal Systems improvement Grant	M.S.I.G	75,000	0	0
Recoverable Developer	Rec. Dev	1,950,000	2,050,000	3,200,000
National Electrification Programme	N.E.R	2,000,000	1,000,000	7,500,000
Extended Public Works Programme	E.P.W.P	914,000		
External Loans	Leases/Ext. Loan	2,223,900	390,000	370,000
Library Subsidy (Conditional Grant)	L.S.C.G	82,000	0	0
Public Transport Infrastructure Grant	P.I.T.G	805,000	800,000	800,000
Department of Human Settlement	D.O.H.S	14,799,891	15,017,024	0
		<b>116,021,141</b>	<b>114,290,324</b>	<b>106,534,600</b>

## DRAFT CAPITAL BUDGET SUMMARY PER WARD/S : 2011/12 TO 2013/14

WARD/S	PROJECTS	Data		
		Sum of 2011/2012	Sum of 2012/2013	Sum of 2013/2014
<b>1</b>	Join Scholtz to Gqunu	100,000	-	-
	New Fire Sub-Station KWA	-	-	-
	Replacement Network Low Voltage	400,000	-	-
	Speedbumps: Thembelihle Street (2)	40,000	-	-
	Tarring of Maxham Circle	200,000	-	-
	Upgrade Creche two new Class rooms: Ncedolesizwe	200,000	-	-
	<b>1 Total</b>	<b>940,000</b>	<b>-</b>	<b>-</b>
<b>2</b>	Enlarge Sewerlines-KwaNonqaba	1,000,000	870,000	-
	Speedbumps: Mali Street (2)	40,000	-	-
	Tarring of Aerostar Street	-	330,000	-
	Tarring of Dyabhaza Street	550,000	-	-
	Tarring of Flores Street	400,000	-	-
	Tarring of Makhubalo and Dyusha Street	-	625,000	-
	Tarring of Nobuhle Street	810,000	-	-
	<b>2 Total</b>	<b>2,800,000</b>	<b>1,825,000</b>	<b>-</b>
<b>3</b>	Asla Park-Replace Sewer lines	1,000,000	4,870,000	1,750,000
	Facilities and Shelters:Taxi Rank Kwa-Nonqaba	-	1,500,000	-
	Speedbumps: Frans Street (1)	20,000	-	-
	Speedbumps: Mooney Street (1)	20,000	-	-
	Speedbumps: Solomon Street (1)	-	20,000	-
	Speedbumps: Stuurman Street	20,000	-	-
	Tarring of Carelse Street	90,000	700,000	-
	Upgrade Kwa-Nonqaba Sportsfield	600,000	-	-
	<b>3 Total</b>	<b>1,750,000</b>	<b>7,090,000</b>	<b>1,750,000</b>
<b>4</b>	Bookshelves-Friemersheim Library	10,000	-	-
	Friemersheim sport grounds: New Club House	-	-	-
	Friemersheim Water Treatment: New Fencing	-	80,000	-
	Friemersheim Water Treatment: Refurbish Buildings and Pump stations	200,000	100,000	-
	Friemersheim: New Sewer Pumpstations	-	870,000	-
	Improve S/W: Amy Searle Greenhaven/ Marigold (Enlarge culvert)	1,000,000	1,000,000	1,000,000
	Improve S/W: End/ Long Street	3,500,000	-	-
	Improve S/W: Sandhoogtepad	-	-	1,500,000
	Laminator-Greenhaven Library	5,000	-	-
	New water pipes Jonkersberg Community	150,000	430,000	-
	Pedestrian Walkway Greenhaven	200,000	200,000	200,000
	Replacement L/V Network Great Brak/ Green haven	200,000	200,000	200,000
	Resurface Netball Court-GBR	70,000	-	-
	Safe-Greenhaven Library	3,750	-	-
	Scanners x2-Greenhaven Library	8,000	-	-
	Sidewalks: Long Street	60,000	-	-
	Upgrading of major stormwater system-Wolwedans	200,000	1,500,000	1,500,000
	Friemersheim Infrastructure	3,000,000	-	-
	<b>4 Total</b>	<b>8,606,750</b>	<b>4,380,000</b>	<b>4,400,000</b>
<b>5</b>	Bridge at GBR Office	-	-	-
	Colour Television	3,000	-	-
	Display Board- 7 Panels	2,200	-	-
	DVD Player	600	-	-
	Entrance Road to 7th Avenue	375,000	-	-
	Entrance Road to GBR yard	300,000	-	-
	Fencing: Schoeman Street & GBR Mun yard	200,000	200,000	-
	Great Brak Water Treatment Plant:Repairwork on Sandfilters	500,000	-	-
	Great Brak: Personnel Facilities/Stores	400,000	-	-
	Improve S/W Outlet at Outeniqua Strand	-	1,500,000	-
	Internal Road to GBR Main Municipal Offices & Parking	60,000	-	-
	Kerbs & Sidewalks: Olckers Street Kleinbrak	75,000	-	-
	Kleinbrak Water Works:New fencing at sludge dams	300,000	-	-
	Laminator	5,000	-	-
	Midbrak Main Sewer Network	6,000,000	3,710,000	9,060,000
	New ablution block: Klein Brak	120,000	-	-
	New Crèche:Toekoms	-	-	-
	New Netball Court-Rheebok	-	-	-
	New Network Midbrak	300,000	500,000	500,000
	New parking, Beyers Street: Kleinbrak	150,000	-	-
	New sewer pumpstation: Great Brak Municipal Offices	-	-	-
	Olckers Turning Circle	-	150,000	-
	Outeniqua Strand: 1ML Reservoir	-	-	3,250,000
	Palisade fencing	-	-	60,000
	Parking Areas: Rheebok/ Tergniet	1,500,000	1,500,000	1,100,000
	Paving along Station Road-Watson's to Stores	-	50,000	-
	Paving Gleniqua Drive	-	150,000	-
	Rebuild Gleniqua Drive	-	2,000,000	-
	Rebuild Kusweg KBRT	2,500,000	-	-
	Rebuild Tar Road-Dolphin Crescent: Tergniet	-	450,000	-
	Rebuild Tar Road-Harris Street: Tergniet	-	-	2,700,000
	Rebuild Tar Road-Melkhout Steet: Tergniet	850,000	-	-
	Rebuild Tar Road-Oudeweg:Glentana	-	-	-
	Rebuild Tar Road-Swart Street: Tergniet	-	-	1,000,000
	Rebuild Tar Road-Van Zyl Street: Tergniet	-	2,500,000	-
	Relocate Rheeboksfontein-Woodline main water line	-	900,000	-
	Replace Carpets	35,000	-	-
	S/W Eureka Park	-	-	2,000,000
	S/W Hersham	-	1,500,000	-
	Safe-Friemersheim Library	3,750	-	-
	Safe-Hartenbos Library	3,750	-	-
	Sandhoodgte Water Treatment: Refurbish Water Treatment Plant	-	60,000	-
	Sandhoogte Water Treatment: Upgrade dosing pumps and mixers	50,000	50,000	40,000
	Scanners x2	8,000	-	-
	Tarring of 12 Avenue at Kleinbrak	400,000	400,000	-
	Tarring of Gleniqua Drive East	-	400,000	-
	Tarring of Hoy Street	-	75,000	-
	Tarring of Short Streets at Eureka park	-	-	-
	Tergniet Street Lights	-	-	-
	Upgrade Tennis Courts-Klein Brak	200,000	-	-
	Upgrading of Tennis Courts-GBR	200,000	-	-
	Water tower at Greatbrak Heights	-	-	1,850,000

WARD/S	PROJECTS	Sum of 2011/2012	Sum of 2012/2013	Sum of 2013/2014
<b>5 Total</b>		<b>14,541,300</b>	<b>16,095,000</b>	<b>21,560,000</b>
<b>6</b>	Extension to Apiesdoring	-	-	2,000,000
	MB Heiderand: New 5ML Reservoir Very High	-	5,500,000	3,700,000
	Speedbumps: Benevolent Park (1)	20,000	-	-
<b>6 Total</b>		<b>20,000</b>	<b>5,500,000</b>	<b>5,700,000</b>
<b>7</b>	Boggomsbaai Hall Acoustics	15,000	-	-
	Brandwacht - Completion of new facilities (Pavilion)	250,000	-	-
	Brandwacht Hall Acoustics	15,000	-	-
	Filing Cabinet wood with 4 drawers	2,500	-	-
	Installation of 3 Fire Hydrants:Boggoms Bay	50,000	-	-
	Lodewyks tenk Water Treatment : Automation of Plant	-	70,000	-
	Look-Out Kiosk:Boggoms Bay	30,000	-	-
	New Cemetery: Brandwacht	50,000	-	-
	New Fire sub station - Brandwacht	-	-	-
	New Reservoir:Buysplaas South	-	2,000,000	-
	New Sports Facility at Hall	-	-	-
	Office equipment Leases (Photo Copier-Brandwacht)	10,000	-	-
	Rebuild Tennis Courts:Vleesbaai	-	75,000	-
	Ruiterbos Water Treatment: Increase storage capacity of raw water dam	80,000	-	-
	Ruiterbos Water Treatment-Increase water weir capacity	40,000	-	-
	Safe-Brandwacht	3,750	-	-
	Sidewalks: Herbertsdale	80,000	-	-
	Speedbumps: Herbertsdale- Herbert Street (1)	20,000	-	-
	Speedbumps:Aloe Street-Boggomsbaai (2)	-	40,000	-
	Upgrading of Streets:Brandwag	1,135,000	800,000	800,000
<b>7 Total</b>		<b>1,781,250</b>	<b>2,985,000</b>	<b>800,000</b>
<b>8</b>	Connect gullies to the main sewerage system	-	100,000	-
	Containers at the Library	82,000	-	-
	Extend Ablution Block: Point Caravan Park	300,000	-	-
	Fencing:Tarka Kloof	100,000	-	-
	High-level Reservoir to Hills reservoir link line	-	-	-
	Kerbs & Sidewalks: Tarka	-	35,000	-
	Parking Cape Road-Park School	-	-	1,800,000
	Pavement: CBD: Mossel Bay	100,000	200,000	200,000
	Rebuild Riley Powrie-Meyer	-	250,000	-
	Replacement L/V O/H Lines Central Town	200,000	400,000	400,000
	Replacement of 30V Battery charger Santos substation	120,000	-	-
	Scanners x2	8,000	-	-
	Stormwater:Harry Giddy Park	-	650,000	-
	Substation Improvement-Ext 4 S/S	-	500,000	-
	Substation Improvement-Upper X S/S	700,000	-	-
	Upgrade ablution blocks -Santos: Caravan Park	-	400,000	-
	Upgrade Montagu Street - Rebuild road	3,000,000	-	-
<b>8 Total</b>		<b>4,610,000</b>	<b>2,535,000</b>	<b>2,400,000</b>
<b>9</b>	New Kerbs : D'almeida	50,000	-	-
	New Sewer Lines : D'almeida	1,000,000	430,000	-
	Paving along Main Route's D'almeida	150,000	-	-
	Replacement Network Low Voltage	500,000	500,000	500,000
	Safe-D'Almeida Library	3,750	-	-
	Walvis Street- Street Lights	150,000	-	-
	(blank)	725,000	-	-
<b>9 Total</b>		<b>2,578,750</b>	<b>930,000</b>	<b>500,000</b>
<b>10</b>	3 Bookshelves -Hartenbos Library	3,600	-	-
	Ablution: Sonskynvallei Sports field	-	-	-
	Kerbs and Parking Paardekraal Road	250,000	250,000	-
	Rebuild Tar Road-Vlei Street: Voorbaai	-	-	-
	Regional Sewerage Works:Entrance Road	-	-	400,000
	Regional Sewerage: New Fencing	-	-	-
	Replacement Network H/Bos	300,000	350,000	-
	Speedbumps: Kaljeepering-Hartenbos Heuwels	-	15,000	-
	Tarring of Havenga Road	460,000	-	-
	Tarring of Maanlig Street	-	650,000	-
	Tarring of Parking area Animal Hospital	-	100,000	-
	Upgrade pumpstation:Langeberg	-	2,200,000	-
	Vehicle Management System	50,000	15,000	15,000
<b>10 Total</b>		<b>1,063,600</b>	<b>3,580,000</b>	<b>415,000</b>
<b>11</b>	Dana Bay- Flora Road Street Lights	100,000	-	-
	Extension : Dana Bay Hall	-	-	-
	Gravel Entrance Road to Pinnacle Point Sewer works	-	430,000	-
	Mother & Baby Park -Miller Crescent	50,000	-	-
	New Community Hall Ext. 23	-	-	-
	New Parking Area 1st Beach	-	1,500,000	-
	New Parking Area 2nd Beach	1,790,000	-	-
	Pave Sidewalks Danabaai	-	100,000	-
	Pinnacle Point Sewerage: Mechanical Screen	550,000	-	-
	Pinnacle Point Sewerage: New Fencing	-	260,000	-
	S/W Pipe Miller Crescent	75,000	-	-
	Speedbumps: Alwyn Street (2)	-	60,000	-
	Speedbumps: Flora Road (2)	-	60,000	-
	Speedbumps: Grunter Street (1)	20,000	-	-

WARD/S	PROJECTS	Sum of 2011/2012	Sum of 2012/2013	Sum of 2013/2014
11	Upgrade Extension 23 Sport fields	1,000,000	-	-
<b>11 Total</b>		<b>3,585,000</b>	<b>2,410,000</b>	<b>-</b>
12	New Fence in Lingelihle Crèche (Security Fence)	-	40,000	-
	Replacement Network Low Voltage	200,000	200,000	200,000
	Tarring of D.Elles Street	-	340,000	-
	Tarring of Qoqo Street	400,000	-	-
	Asazani/Izinyoka Infrastructure	11,799,891	15,017,024	-
<b>12 Total</b>		<b>12,399,891</b>	<b>15,597,024</b>	<b>200,000</b>
15	2nd Point of Supply, Glentana/Great Brak area	-	1,000,000	2,000,000
	66kv Overhead Line Upgrade- Intake to South Substation	-	3,000,000	2,000,000
	66kV Transmission Line Bothma S/S to Ext.13	3,500,000	-	-
	Additional Fire Hydrants	200,000	-	-
	Asazani/Zinyoka Main Access Roads	1,800,000	-	-
	Balancing dam VPS	500,000	-	-
	Bothma S/S new 20 MVA Transformer	2,000,000	4,000,000	-
	Generators: Grunter and Omega	-	1,300,000	-
	Great Brak Sewerage : New Fencing	250,000	-	-
	Great Brak Sewerage Works: Plant Upgrade from 1ML/day to 4ML/day	-	-	3,500,000
	Grinder for solids at VPS	-	900,000	-
	Modification of 22/11kV substation at Powertown	-	2,000,000	2,500,000
	New 22kV Transmission Line K/Brak Sewerage Farm Ph 1&2	-	2,000,000	1,000,000
	New 66/22/11kV Substation K/Brak Sewerage Farm	1,000,000	800,000	4,500,000
	New Kerbs : Extension 6	100,000	-	-
	Odour Filter at VPS	1,500,000	-	-
	Regional Sewer : New VSD aerators	-	80,000	-
	Regional Sewer Works-Replace Dewatering Machine	-	800,000	-
	Regional Sewer: New Do Meters	80,000	-	170,000
	Regional Sewerage Works: Sludge Drying Beds	-	1,300,000	1,300,000
	Regional Sewerage: Aerators and Mixers Old Reactor	110,000	120,000	150,000
	Regional Sewerage: New Aerators Old Sludge holding basin	-	-	300,000
	Regional Sewerage: New MCC-Inlet and Control Room	-	430,000	200,000
	Regional Sewerage: New Waste pumps Old sludge pump stations	-	190,000	120,000
	Regional Sewerage: Upgrade Chlorine Building	-	-	-
	Rehabilitate Mayixhale Street	8,343,000	-	-
	Replacement of switchgear at Intake Substation	1,000,000	500,000	-
	Upgrade Tennis Courts-Mossel Bay	300,000	-	-
	Upgrade Great Brak River MV Network	1,000,000	1,200,000	1,200,000
	Upgrading of Appliance Bays – Great Brak Fire Station	150,000	-	-
	Voorbaai: New Bulk Line	-	-	4,400,000
<b>15 Total</b>		<b>21,833,000</b>	<b>19,620,000</b>	<b>23,340,000</b>
16	Carpets	80,000	-	-
	8 Channel Camera System	30,000	-	-
	Aerial Fire-fighting/Rescue Platform	-	-	-
	Asazani/Zinyoka Main Water 500mm line to KwaNonqaba	500,000	8,626,000	9,430,000
	Asazani/Zinyoka: New Bulk Sewer System	2,000,000	-	-
	Bulk Containers	100,000	-	150,000
	Bulk water meters	400,000	200,000	350,000
	Burgular bars	50,000	-	-
	Chipper: Louis Fourie Green Waste Site	500,000	-	-
	Control Centre/Load Management	1,200,000	700,000	-
	E.P.W.P : Pave Gravel Roads all areas	5,264,000	3,350,000	7,142,000
	Electrification Projects	2,250,000	1,000,000	7,500,000
	Ernst Robertson Pipeline to Sandhoogte	-	1,800,000	-
	Expandable Barriers x10	20,000	-	-
	Fencing Sewer Pump Stations	100,000	100,000	100,000
	Fire fighting equipment and Hazmat equipment	200,000	100,000	100,000
	GBR:Enlarge Water Treatment Plant 5.5ML to 12ML	-	-	2,000,000
	Harry Giddy Park Enclosures for Animals	10,000	-	-
	High Pressure Jetting Machine	350,000	-	-
	M/Bay Cemetery: New Wall of Remembrance	-	30,000	-
	Minibus Taxi Facilities:All Areas	500,000	500,000	500,000
	Mobile Generator	-	-	1,200,000
	N.M.T- Facilities all areas	500,000	500,000	500,000
	New 400mm line and pumpstation to Jameson Reservoir	500,000	900,000	900,000
	New Compactor Unit	1,800,000	1,800,000	2,000,000
	New Connections	1,950,000	2,050,000	3,200,000
	New Kerbs : All areas	100,000	100,000	200,000
	New Level-Sensor for Sewer Pits	200,000	170,000	200,000
	New Network Pipe Lines as per master plan	750,000	650,000	650,000
	New Prosonic level measure	200,000	200,000	-
	New Sewer Pumps: Replace with new model pumps	500,000	430,000	520,000
	New Transfer Station	300,000	-	400,000
	New water pumps:Replace with new model pumps	300,000	300,000	350,000
	Palisade fencing	80,000	200,000	-
	Pumps and Switchgear	200,000	200,000	-
	Purchase Blue Drop Kits	60,000	-	-
	Purchase Green Drop Kits	35,000	-	-
	Quality of Supply Instruments	100,000	-	-
	Replace Ageing Miniature Substations	700,000	700,000	1,000,000
	Replace MV Ring Main Units	700,000	700,000	1,000,000
	Replace Sewer Network-All Areas	400,000	400,000	400,000
	Replace Water Network Lines-All Areas	600,000	550,000	550,000
	Replacement of meters in All Areas	300,000	300,000	300,000
	Replacement of Traffic Lights	150,000	-	-
	Shelter for the homeless	1,500,000	-	-
	Stabilization of Embankments-General	350,000	100,000	100,000
	Sunshades Santos Beach	50,000	-	-
	Supply of bin lifters	50,000	-	150,000
	Telemetry: Expansion New System	100,000	100,000	-
	Thusong Centre-Planning Phase	2,000,000	-	-
	Upgrade Pavilions Sport fields	-	300,000	-
	Upgrade Pump stations Replace old model pumps with new ones	500,000	430,000	520,000
	Upgrade Telemetry	100,000	150,000	150,000
	Upgrading of compactor units	500,000	-	300,000
	Waste: Drop Off Sites	210,000	-	-



WARD/S	PROJECTS	Sum of 2011/2012	Sum of 2012/2013	Sum of 2013/2014
	Water Meter Replacement Program	500,000	430,000	520,000
<b>16 Total</b>		<b>29,839,000</b>	<b>28,066,000</b>	<b>42,382,000</b>
<b>17</b>	2x Scanners for the bags: Municipal Offices Marsh Street	-	300,000	300,000
	4 x 4 LDV long wheel base: Vehicle	275,000	-	-
	4X4 Tractor	280,000	-	-
	Additional HDD for Tivoli Back	28,000	-	-
	Blinds	30,000	-	-
	Bomag Roller	158,000	-	-
	Bomag Roller- Hartenbos	150,000	-	-
	Build:Toilet facilities for workers	50,000	-	-
	Bullet Proof vests (26)	80,000	-	-
	Ceiling Fan x2	1,000	-	-
	Chain Saw	7,000	-	-
	Colour Television	3,000	-	-
	Compactors x2	40,000	-	-
	Computer Leases	2,183,000	350,000	350,000
	Dragor Alcohol Meters x2	8,000	-	-
	Equipment for LIC Projects	250,000	250,000	250,000
	Extension of clock system	-	200,000	-
	Furniture, Tools & Equipment	501,000	309,300	272,600
	Furniture, Tools & Equipment	30,000	-	-
	Furniture, Tools & Equipment- LED	16,300	-	-
	Furniture, Tools and Equipment	75,000	75,000	45,000
	Furniture,Tools & Equipment	10,000	10,000	60,000
	Furniture,Tools & Equipment-Income	13,000	13,000	-
	Furniture,Tools & Equipment-IT	1,500	3,000	-
	Furniture,Tools & Equipment-SCM	18,650	-	-
	Hand Held Terminals for Meter Readers	140,000	140,000	100,000
	Harddrive Capacity for Collaborator	25,000	-	-
	High Volume Photocopy Machine	-	-	320,000
	I X LDV	120,000	-	-
	Klein Brak Water Treatment: Aircon for Offices	-	10,000	-
	Klein Brak Water Treatment: Aircon MCC	-	20,000	-
	Kudu Lawnmower:Harry Giddy Park	21,000	-	-
	Kudu Lawnmower-Parks General	21,000	-	-
	Laptop	20,000	20,000	20,000
	Laser jet printers	10,000	-	-
	New bakkie: Water Distribution	200,000	-	-
	New Guard Hut	160,000	-	-
	New Kitchen Cupboards	5,000	-	-
	New Laptop- LED	-	20,000	-
	New Promun Server	150,000	-	-
	New Security Guard Hut: Schoeman Street Stores	60,000	-	-
	New Trailers X2	40,000	50,000	-
	New Vehicle: 4x4 Bakkie and pump unit	-	-	-
	New Vehicle: Motor Car	-	-	-
	Office Equipment Leases-Herbertsdale(Fax Machine-Herbertsdale Library)	5,000	-	-
	Photo Copier	-	40,000	-
	Pinnacle Point Sewerage:Aircon -MCC and Control Room	-	30,000	-
	Purchase of Two New Vehicles	260,000	-	-
	Purchase of Leased Vehicle: CBS 33193	-	-	100,000
	Purchase of Leased Vehicle: CBS 7558	100,000	-	-
	Purchase of Leased Vehicle: CBS 7823	-	100,000	-
	Purchase of Leased Vehicle:CBS 27931	80,000	-	-
	Purchase of Leased Vehicles: CBS 42246/CBS 42248	-	120,000	-
	Purchase of New 3 Ton Truck	300,000	-	-
	Purchase of new vehicle: LDV x2 for GBR	-	-	180,000
	Regional Sewerage: Aircon for MCC Room and Offices	-	45,000	130,000
	Renovation of office- 12m2	60,000	-	-
	Replace Vehicle: CBS 18527 4x4 Bakkie and pump unit	-	500,000	-
	Replace worn out furniture & equipment	200,000	200,000	200,000
	Replacement of Vehicle: Water Tanker 2 with 4x4 Water Tanker	800,000	-	-
	Replacement of One Ton Bakkie-CBS 21327	200,000	-	-
	Replacement of Pump of Fire Engine 2	-	-	-
	Replacement of the Mayor's Vehicle-CBS 1	-	500,000	-
	Replacement of Vehicle: 4x4 Medical Rescue Response	-	-	-
	Replacement of Vehicle: CBS 30208	200,000	-	-
	Replacement of Vehicle: LDV CBS 11852	180,000	-	-
	Replacement of Vehicle: LDV CBS 33243	-	-	180,000
	Replacement of Vehicle:CBS 2339	-	-	-
	Replacement of Vehicles: CBS 13133 and CBS 13929	-	-	320,000
	Replacement of Vehicles: CBS 28097 and CBS 22610	140,000	-	160,000
	Replacement of Vehicles: CBS 28101 and CBS 1854 and CBS 18278	420,000	-	-
	Replacement of Vehicles: CBS 42207 and CBS 42209 and CBS 42210 and CBS 42211	-	-	-
	Rest rooms for staff	-	-	-
	Ride-on grass cutter and trailer	200,000	-	-
	Roof Ventilators-Stores	22,000	-	-
	Safe-Herbertsdale Library	3,750	-	-
	Scanner	100,000	-	-
	Security cameras x4: Montagu Building	25,000	-	-
	Sludge Mixer	40,000	-	-
	Store Room 100m2-Van Riebeeck Stadium	-	-	-
	Tools & Equipment	100,000	100,000	100,000
	Tractor for Friemersheim	-	260,000	-
	Tractor-mounted Sprayer	34,000	-	-
	Trailers x4	50,000	-	-
	Two way Radio Base System	7,000	-	-
	Upgrade Radio Communications Network	500,000	-	-
	UPS for radio network points	10,000	-	-
	Vehicle : Human Resources	120,000	-	-
	Vehicle Management System	242,700	12,000	-
	Vehicle Management System-LED	17,700	-	-
	Furniture,Tools & Equipment-Ward Committes	75,000	-	-
<b>17 Total</b>		<b>9,672,600</b>	<b>3,677,300</b>	<b>3,087,600</b>
<b>Grand Total</b>		<b>116,021,141</b>	<b>114,290,324</b>	<b>106,534,600</b>

## DRAFT CAPITAL BUDGET SUMMARY PER I.D.P LINK :2011/12 TO 2013/14

I.D.P LINK	DEPARTMENT	Data		
		Sum of 2011/2012	Sum of 2012/2013	Sum of 2013/2014
<b>Comm. Safe &amp; Secur.</b>	Fire Brigade & Rescue Services	600,000	100,000	100,000
	Public Safety: Mun. Police & Traffic Department	400,000	195,000	-
<b>Comm. Safe &amp; Secur. Total</b>		<b>1,000,000</b>	<b>295,000</b>	<b>100,000</b>
<b>Community Develop.</b>	Cemeteries	50,000	30,000	-
	Civic Centre & Community Halls	200,000	40,000	-
	Cleansing: Refuse Removal	3,460,000	1,800,000	3,000,000
	Municipal Manager :Admin	1,500,000	-	-
<b>Community Develop. Total</b>		<b>5,210,000</b>	<b>1,870,000</b>	<b>3,000,000</b>
<b>Econ. Dev. &amp; Tourism</b>	Beaches	550,000	100,000	100,000
	Caravan Park:Point	300,000	100,000	-
	Chalets: Santos/De Bakke	80,000	600,000	-
<b>Econ. Dev. &amp; Tourism Total</b>		<b>930,000</b>	<b>800,000</b>	<b>100,000</b>
<b>Govern. &amp; Comm.</b>	Chalets: Santos/De Bakke	200,000	200,000	200,000
	Civic Centre & Community Halls	120,000	61,000	-
	Civil Services: Administration	160,000	22,000	10,000
	Cleansing: Refuse Removal	560,000	-	-
	Council General	11,800	-	-
	Development & Planning : Admin	45,000	20,000	20,000
	Electricity Distribution	400,000	220,000	100,000
	Electricity: Administration	100,000	35,000	35,000
	Financial Services: Administration	24,000	50,000	60,000
	Financial Services: Computer Centre	38,000	-	-
	Financial Services: Income Section	153,000	153,000	100,000
	Financial Services: Supply Chain Management	40,650	-	-
	Financial Services:Computer Centre	2,359,500	353,000	350,000
	Fire Brigade & Rescue Services	1,435,000	575,000	45,000
	Human Resources	138,900	23,300	52,600
	Human Settlements	415,000	-	-
	Library: Brandwacht	13,750	-	-
	Library: D'Almeida	8,750	-	-
	Library: Ellen van Rensburg	13,000	-	60,000
	Library: Friemersheim	13,750	-	-
	Library: Greenhaven	16,750	-	-
	Library: Hartenbos	48,150	-	-
	Library: Mossel Bay	263,000	-	-
	Library: Ruiterbos	2,500	-	-
	Library:Herbertsdale	9,750	-	-
	Manager Community Serv:Admin	140,000	-	-
	Municipal Manager :Admin	-	500,000	-
	Parks & Recreation	75,000	-	-
	Plantations	417,000	-	-
	Public Safety: Mun. Police & Traffic Department	915,000	-	480,000
	Roads, Stormwater & Drainage: Streets	1,210,000	805,000	480,000
	Sewerage: Network	40,000	45,000	50,000
	Sewerage: Purification Services	210,000	85,000	140,000
	Sewerage: Reticulation Services	-	-	180,000
	Socio- Economic Planning/ Development	2,109,000	20,000	-
	Sport Grounds	368,000	-	-
	Support Services	39,000	540,000	640,000
	Water: Distribution	1,070,000	575,000	670,000
	Water: Purification Works	10,000	40,000	10,000
<b>Govern. &amp; Comm. Total</b>		<b>13,193,250</b>	<b>4,322,300</b>	<b>3,682,600</b>
<b>Infrastr. Provision</b>	Electricity Distribution	18,020,000	21,750,000	26,000,000
	Roads, Stormwater & Drainage: Stormwater	4,775,000	6,150,000	6,000,000
	Roads, Stormwater & Drainage: Streets	33,367,000	19,705,000	18,142,000
	Sewerage : Reticulation Services	1,000,000	430,000	-
	Sewerage: Network	8,400,000	9,850,000	11,210,000
	Sewerage: Purification Services	6,875,000	6,860,000	9,830,000
	Sewerage: Reticulation Services	350,000	-	-
	Water: Distribution	4,460,000	26,506,000	26,430,000
	Water: Purification Works	810,000	360,000	2,040,000
<b>Infrastr. Provision Total</b>		<b>78,057,000</b>	<b>91,611,000</b>	<b>99,652,000</b>
<b>Sport,Recr. &amp; Culture</b>	Civic Centre & Community Halls	30,000	-	-
	Parks & Recreation	150,000	-	-
	Parks: Harry Giddy Park	31,000	-	-
	Sport Grounds	2,620,000	375,000	-
<b>Sport,Recr. &amp; Culture Total</b>		<b>2,831,000</b>	<b>375,000</b>	<b>-</b>
<b>Housing &amp; Land</b>	Human Settlements	14,799,891	15,017,024	-
<b>Housing &amp; Land Total</b>		<b>14,799,891</b>	<b>15,017,024</b>	<b>-</b>